COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2015

Town of Sunnyvale, Texas

Town Manager

Sean Fox

Finance Director

Elizabeth Hopkins

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal iii
Organizational Chart vi
List of Elected and Appointed Officials vii

FINANCIAL SECTION

Independent Auditor's Report on Financial Statements 3

A. Management Discussion and Analysis 7

B. Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Position 21
Statement of Activities 22

Fund Financial Statements:
Governmental Fund Financial Statements:
Balance Sheet - Governmental Funds 24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 27
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - General Fund 28
Proprietary Fund Financial Statements:
Statement of Fund Net Position - Proprietary Funds 29
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds 30
Statement of Cash Flows - Proprietary Funds 31

Notes to the Financial Statements 32

C. Required Supplementary Information:

Schedule of TMRS Funding Progress and Contributions and Notes 65
Schedule of Changes in Net Pension Liability and Related Ratios 66

TOWN OF SUNNYVALE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

		Page
D.	**Supplementary Information**	
	Non-major Governmental Funds	
	Combining Balance Sheet - Non-major Governmental Funds	68
	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds	70
	Component Units	
	Combining Balance Sheet - Component Units	72
	Reconciliation of the Combining Balance Sheet - Component Units	73
	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Component Units	74
	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities	75
	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	
	4A Development Corporation	76
	4B Development Corporation	77
STATISTICAL SECTION (UNAUDITED)		
	Statistical Section Table of Contents	81
Table		
1	Net Position by Component	83
2	Changes in Net Position	84
3	Governmental Activities Tax Revenues by Source	88
4	Fund Balances of Governmental Funds	89
5	Changes in Fund Balances of Governmental Funds	90
6	Assessed Value and Estimated Actual Value of Taxable Property	92
7	Direct and Overlapping Property Tax Rates	93
8	Principal Property Taxpayers	94
9	Property Tax Levies and Collections	95
10	Ratio of Outstanding Debt by Type	96
11	Ratios of General Bonded Debt Outstanding	97
12	Direct and Overlapping Governmental Activities Debt	98
13	Legal Debt Margin Information	99
14	Pledged-Revenue Coverage	100
15	Demographic and Economic Statistics	101
16	Principal Employers	103
17	Full-time Equivalent City Government Employees by Function/Program	104
18	Operating Indicators by Function	106
19	Capital Asset Statistics by Function	108

INTRODUCTORY SECTION

TOWN OF
SUNNYVALE

Town of Sunnyvale
127 N. Collins Road
Sunnyvale, TX 75182
Telephone: 972-226-7177
Fax: 972-226-1804
www.townofsunnyvale.org

March 4, 2016

Honorable Mayor and Town Council
Town of Sunnyvale, Texas

Dear Mayor and Council Members:

The Comprehensive Annual Financial Report ("CAFR") of the Town of Sunnyvale, Texas, for the year ended September 30, 2015, is submitted herewith.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Conway Company CPAs, P.C. have issued an unmodified ("clean") opinion on the Town of Sunnyvale's financial statements for the year ended September 30, 2015. The independent auditor's report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

GENERAL INFORMATION – TOWN OF SUNNYVALE

The Town of Sunnyvale is a small, upscale community located about 15 miles east of downtown Dallas. Incorporated in 1953 and occupying approximately 16.8 square miles, Sunnyvale is a Town founded upon uniqueness in the quality of life that our citizens enjoy and the positive environment in which our local businesses can prosper.

The Town operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council of the Mayor and six (6) Council members. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, and for overseeing the day-to-day operations of the Town.

The Town provides a range of services, including public safety, fire, medical emergency, maintenance of streets and infrastructure, community development, provision of water and wastewater utilities, library services as well as general administrative services.

The annual budget serves as the foundation of the Town's financial planning and control. The respective department heads prepare and submit line item budget requests for the operations and maintenance portion of their respective departments as well as a listing of capital items for consideration. The entire budget process includes public involvement as the various elements composing the budget are reviewed in open and advertised public meetings prior to final approval and adoption.

ECONOMIC CONDITIONS AND OUTLOOK

During the past several years, the Town has experienced similar economic challenges as other entities in the region, state and nation. Property tax revenues provide the greatest portion of the Town's total governmental revenue stream. Historically, the Town has realized strong property value growth and experienced an increase in property values for fiscal year 2014-15. Since the property tax rate was unchanged from 2014, property tax revenues were 4.8% more than the prior year.

Building activity increased throughout the community with the Town experiencing the addition of new homes and continues to work with developers to expand and diversify available retail opportunities. Sales tax revenues continue to trend upward. The Town closely monitors all local economic indicators with the intention of being able to respond as needed.

FOR THE FUTURE

The Town Council has identified strategic plan objectives and most of the major initiatives are directly related to those objectives. Of extreme importance is the objective to enhance the quality of life of our citizens, through both infrastructure improvements and the proper maintenance of the existing infrastructure. The following are current initiatives and expected completion dates:

Comprehensive Plan Update	April 2016
Water/Wastewater CIP Plan Development	June 2016
Unified Development Code	December 2016

At the end of September 2015, the Town of Sunnyvale was working on the following projects:

Waterline Rehabilitation planned for five locations which include Town East (Jobson to Collins), Manor Way (Tripp to Mansfield), Deer Creek and East Fork (Tripp to Hwy 80) at an expected cost of $1,132,000 paid for from realized savings from the 2008 Bond proceeds. These projects are substantially complete.

Water Tower construction is in the design phase with an expected start date of fall 2016.

In coordination with the Sunnyvale Center Industrial Park Property Owners Association and its representatives, the 4A Economic Development Corporation has presented to the Town Council a possible solution that would improve the water works system by assessing benefitted properties a portion of the estimated $1,100,000 cost of improvements which may include constructing, extending, enlarging or reconstructing the system.

The Town has approved the first of three Project Specific Agreements with Dallas County for the design phase related to the paving and drainage improvements on Collins from Tripp to US 80 under a 50/50 cost share including the intersection solution Option 1 approved by the Town Council.

LONGER-TERM FINANCIAL PLANNING

The Town continues to study the best way to improve the water distribution system. This 6 million dollar initiative was approved by voters in November 2014 for the expansion and repair of the Town's water supply facilities.

Plans for additional improvements include completing the final phase of the Collins Road corridor expansion, providing an efficient and more serviceable four-lane divided thoroughfare from the Town's southern limit to Town East Road.

Plans for additional road repair and replacement, in coordination with Dallas County, will be funded by the voter approved 1/4 of one percent of the sales tax revenues from the 4A Economic Development Corporation. Year one funding of a three year plan is included in the 2014-2015 budget.

Unassigned fund balance in the general fund (61% of total general fund expenditures) falls within the policy guidelines set by the Council for budgetary and planning purposes.

Standard & Poor's Ratings rates Sunnyvale, Texas' general obligation (GO) bonds as 'AA.' The outlook is stable.

FINANCIAL INFORMATION

Accounting Procedures and Budgetary Controls

The Town's accounting records for general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the Town's water and sewer utility, and other proprietary activities are maintained on the accrual basis.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the Town's financial management staff, and expenditure estimates by each Town department. Budgets are reviewed by the Finance Director. The Town Manager makes final decisions and submits a recommended budget to the Town Council.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Finance Director, the Town Manager, and the Town Council concurrent with review of the proposed budget. This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the Town Council prior to the end of the current fiscal year.

General Governmental Functions

Tax Rates All eligible property within the Town of Sunnyvale is subject to assessment, levy, and collection by the Town. A continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs is set and approved by the Town Council. The tax rates adopted by the Town Council are shown below:

Year	Tax Rate
FY 2011-2012	$ .40796
FY 2012-2013	$ .40796
FY 2013-2014	$ .40796
FY 2014-2015	$.40796
FY 2015-2016	$.40796

Acknowledgements

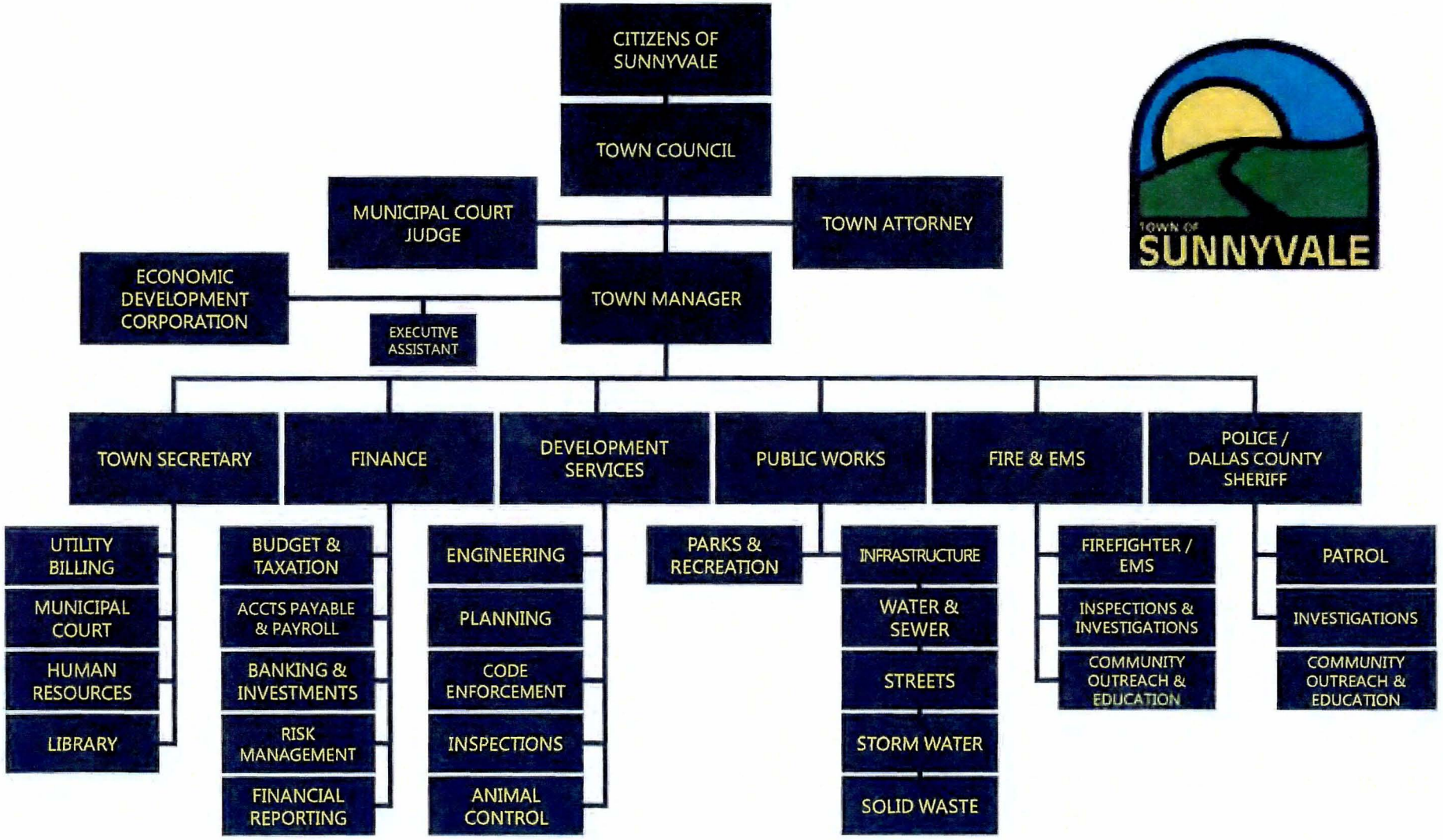
Many people are responsible for the preparation of this report and for the maintenance of records upon which it is based. Appreciation is expressed to the Town employees throughout the organization, who were instrumental in the successful completion of this report.

Our appreciation is also extended to the Mayor and members of the Town Council for providing the resources necessary to maintain the integrity of the Towns' financial affairs.

Respectfully submitted,

Elizabeth Hopkins
FINANCE DIRECTOR

Organization Chart



TOWN OF SUNNYVALE, TX

For the year ended September 30, 2015

City Council:

Jim Phaup	Mayor
Kara Ranta	Place 1
Saji George	Place 2
Mark Egan	Place 3
Jim Wade	Place 4
Karen Hill	Place 5
Chris McNeill	Place 6

Administrative Officers

Sean Fox	Town Manager
Leslie Malone	Town Secretary
Elizabeth Hopkins	Finance Director

TOWN OF
SUNNYVALE

FINANCIAL SECTION

TOWN OF
SUNNYVALE

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Greenville, Texas 75404-8234

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American Institute of CPAs
Texas Society of CPAs

March 4, 2016

INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Sunnyvale
127 North Collins Road
Sunnyvale, Texas 75182

Members of the Town Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Sunnyvale, Texas ("Town") as of and for the year ended September 30, 2015, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Sunnyvale, Texas as of September 30, 2015, and the respective changes in financial position, where applicable, and cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 to 17 and the TMRS Funding Progress and Schedule of Contributions and Schedule of Changes in Net Pension Liability on pages 65-66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Sunnyvale, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and the combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2016, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Respectfully Submitted,

CONWAY COMPANY CPAs, PC

Conway Company CPAs, P.C.

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Fax (972) 771-1022

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

As management of the Town of Sunnyvale ("Town"), we offer the readers of the Town of Sunnyvale's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $32,406,461 (net position). Of this amount, $23,597,070, or 73%, is net investment in capital assets. Net position restricted for specific purposes is $3,225,278, or 10%. The remaining unrestricted position of $5,584,113, or 17% may be used to meet the Town's ongoing obligations to its citizens and creditors in accordance with the Town's fiscal policies.

- The government's total net position increased by $5,448,923, or 23%, due to an increase in both governmental activities and business-type activities net position, excluding prior period adjustments.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $7,397,314, an increase of $806,778, or 12%, in comparison with the prior year. Approximately 57% of this total amount, or $4,244,716, is available for spending at the Town's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the General fund of $4,247,916 was 69% of total general fund expenditures for the fiscal year.

- The Town's total long-term obligations decreased by ($295,114), or (3%), during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Sunnyvale's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Sunnyvale.

Basic Financial Statements

The first two statements (pages 21-23) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (pages 24-31) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the **notes** (pages 32-61). The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **required supplemental information** (pages 65-66) is provided to show details about the Town's pension plan.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The statement of net position presents information on all of the Town of Sunnyvale's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, sales tax and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the utility services offered by the Town of Sunnyvale. The final category is the component unit. The Town has two component units: 4A Development Corporation and 4B Development Corporation. The government-wide financial statements are on pages 21-23 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Sunnyvale, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Sunnyvale can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Towns' programs.

The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Sunnyvale adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. Budgetary information required by the General Statutes can also be found in this part of the statements. The Governmental Fund financial statements can be found on pages 24-28 of this report.

Proprietary Funds – The Town of Sunnyvale has one type of proprietary fund which is the Utility Fund. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary Funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 32-61 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Sunnyvale's progress in funding its obligation to provide pension benefits to its employees. This information is found on pages 65-66.

Supplementary Information – The combining statements referred to earlier in connection with the non-major governmental funds are presented following the required supplementary information on pensions. Combining statements and individual fund statements can be found on pages 68-71. Fund financial statements for the component units can be found on pages 72-77.

Statistical Section – The statistical section consists of unaudited information that presents details as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health. These tables can be found on pages 83-108.

GASB Pronouncements – The following statements for the Governmental Accounting Standards Board ("GASB") were effective for the Town in the fiscal year ending September 30, 2015.

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27", will be implemented as required by GASB during the fiscal year September 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local government pensions and

improve the decision-usefulness of information contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosure and required supplementary information requirement about pensions also are addressed. This statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. This statement was implemented in the current fiscal year which resulted in an accounting change in respect to the reporting of pension expense and deferred inflow/outflow of resources related to pension.

In order to implement Statement No. 68, a prior period adjustment was recorded of $636,152. See Note J for more information regarding the Town's pension plan.

GASB Statement No. 69, "Governmental Combinations and Disposals of Government Operations", will be implemented as required by GASB during the fiscal year September 30, 2015. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement was implemented in the current fiscal year and had no effect on the financial statements.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", will be implemented as required by GASB during the fiscal year September 30, 2015. This statement requires a government that extends nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement was implemented in the current fiscal year and had no effect on the financial statements.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", will be implemented as required by GASB during the fiscal year September 30, 2015. This statement addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement was implemented in the current fiscal year. See Note J in the notes to the financial statements for more information regarding the Town's pension plan.

The GASB has issued the following statements which will be effective in future years as described below:

GASB Statement No. 72, "Fair Value Measurement and Application" addresses account and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and, also, provides guidance for applying fair value to certain investments and disclosure related to fair value measurements. The Town is evaluating the potential changes to the financial statements as a result of the implementation of this statement in future years.

Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 8,476,816	$ 7,878,395	$ 7,828,697	$ 7,676,051	$ 16,305,513	$ 15,554,446
Capital assets	12,783,128	8,806,526	15,758,923	10,157,096	28,542,051	18,963,622
Total assets	21,259,944	16,684,921	23,587,620	17,833,147	44,847,564	34,518,068
Total deferred outflows of resources	143,832	-	37,996	3,258	181,828	3,258
Long-term liabilities outstanding	4,959,952	4,219,973	5,465,112	5,812,141	10,425,064	10,032,114
Other Liabilities	545,175	622,249	1,450,314	502,410	1,995,489	1,124,659
Total liabilities	5,505,127	4,842,222	6,915,426	6,314,551	12,420,553	11,156,773
Total deferred inflows of resources	162,023	-	40,355	-	202,378	-
Net position:						
Net investment in capital assets	9,192,257	5,533,170	14,404,813	8,638,647	23,597,070	14,171,817
Restricted	1,480,724	1,237,407	1,744,554	1,793,193	3,225,278	3,030,600
Unrestricted	5,063,645	5,072,122	520,468	1,090,014	5,584,113	6,162,136
Total net position	$ 15,736,626	11,842,699	$ 16,669,835	$ 11,521,854	$ 32,406,461	$ 23,364,553

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Town exceeded liabilities by $32,406,461 as of September 30, 2015. The Town's net position increased by $5,448,923, excluding prior period adjustments, for fiscal year ended September 30, 2015.

Net investment in capital assets:
The largest portion of the Town's net position, $23,597,070, or 73%, reflects the Town's investment in capital assets (e.g. land, buildings, machinery and equipment) less any debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Restricted net position:
Restricted net position of $3,225,278, or 10%, is subject to external restrictions on how they may be used, or by enabling legislation. The restricted net position is comprised of (a) $80,368, or 3%, for community service, (b) $112,448 or 4% for court use, (c) $833,490, or 26%, for debt service, (d) road improvement maintenance and operation of $151,331 or 5% and (e) $2,047,641 or 62% for use of impact fees.

Unrestricted net position:
Unrestricted net position in the amount of $5,584,113, or 17%, is available to fund the Town programs to citizens and obligations to creditors.

Changes in Net Position

	Governmental Activities		Business Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	$ 616,129	$ 1,200,114	$ 4,249,639	$ 3,825,951	$ 4,865,768	$ 5,026,065
Operating grants and contributions	118,384	507,878	-	-	118,384	507,878
Capital grants and contributions	1,524,366	-	2,239,086	-	3,763,452	-
General Revenues:						
Property taxes	3,314,131	3,309,754	-	-	3,314,131	3,309,754
Franchise taxes	1,217,622	986,539	-	-	1,217,622	986,539
Sales tax	1,376,840	1,130,663	-	-	1,376,840	1,130,663
Investment income	1,085	1,343	3,112	2,381	4,197	3,724
Miscellaneous	39,551	12,870	-	-	39,551	12,870
Total Revenues	8,208,108	7,149,161	6,491,837	3,828,332	14,699,945	10,977,493
Expenses:						
Program Expenses						
General government	1,052,425	1,043,470	-	-	1,052,425	1,043,470
Public safety	2,367,607	1,906,497	-	-	2,367,607	1,906,497
Public services and operations	816,091	821,386	-	-	816,091	821,386
Public works	595,851	394,480	-	-	595,851	394,480
Parks and recreational	509,635	428,745	-	-	509,635	428,745
Library	142,545	142,695	-	-	142,545	142,695
Community services	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Interest on long-term debt	103,540	88,808	-	-	103,540	88,808
Water and sewer	-	-	3,663,328	3,374,140	3,663,328	3,374,140
Total Expenses	5,587,694	4,826,081	3,663,328	3,374,140	9,251,022	8,200,221
Increase (decrease) in net position	2,620,414	2,323,080	2,828,509	454,192	5,448,923	2,777,272
Other revenues and financing sources (uses)						
Transfers	(98,276)	(196,611)	98,276	196,611	-	-
Total other financing sources (uses)	(98,276)	(196,611)	98,276	196,611	-	-
Increase (decrease) in net position	2,522,138	2,126,469	2,926,785	650,803	5,448,923	2,777,272
Net position - October 1	11,842,699	9,140,072	11,521,854	10,871,051	23,364,553	20,011,123
Prior Period Adjustments	1,371,789	576,158	2,221,196	-	3,592,985	576,158
Net position - September 30	$15,736,626	$11,842,699	$16,669,835	$11,521,854	$32,406,461	$23,364,553

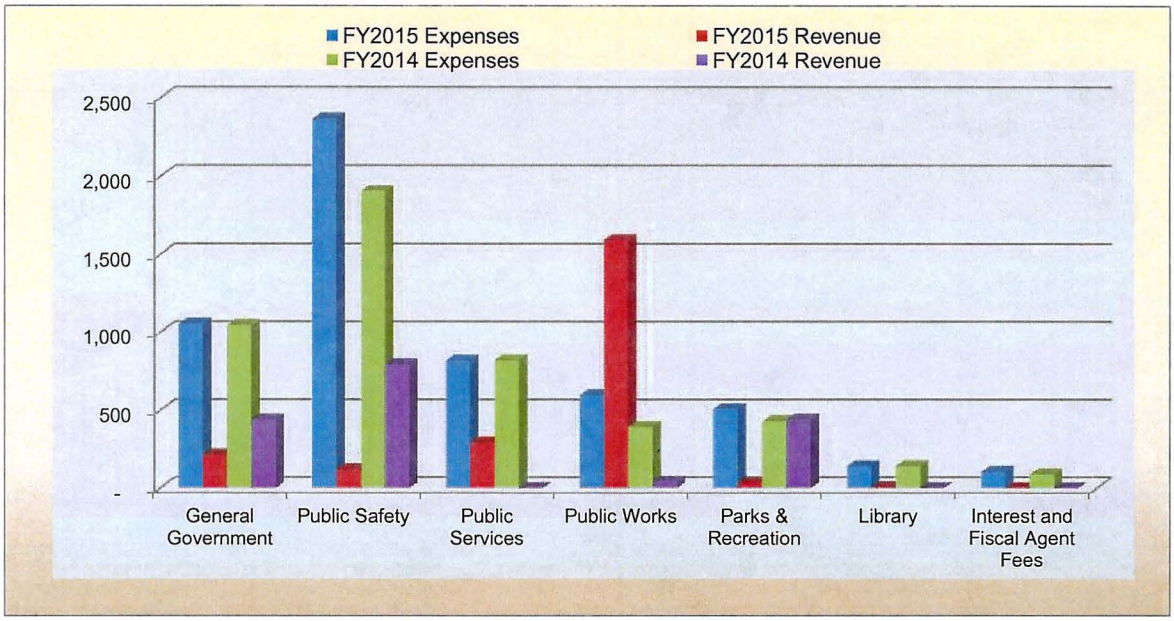
The Governmental Activities have increased the net position in the current fiscal period by $2,522,138, excluding prior period adjustments, which is a 21% increase over the prior year. This is due, in large part, to an increase in developer contribution of infrastructure dedicated to the Town. Total property, franchise and sales taxes collected increased $481,637, or 8%, over the prior year.

The Business-type Activities have increased the net position in the current fiscal year by $2,926,785, excluding prior period adjustments. This is a 25% increase from the prior year that is due, in large part, to an increase in developer contribution revenues for infrastructure dedicated to the Town. Charge for services increased $423,688, or 11%, in comparison to the prior year's revenue.

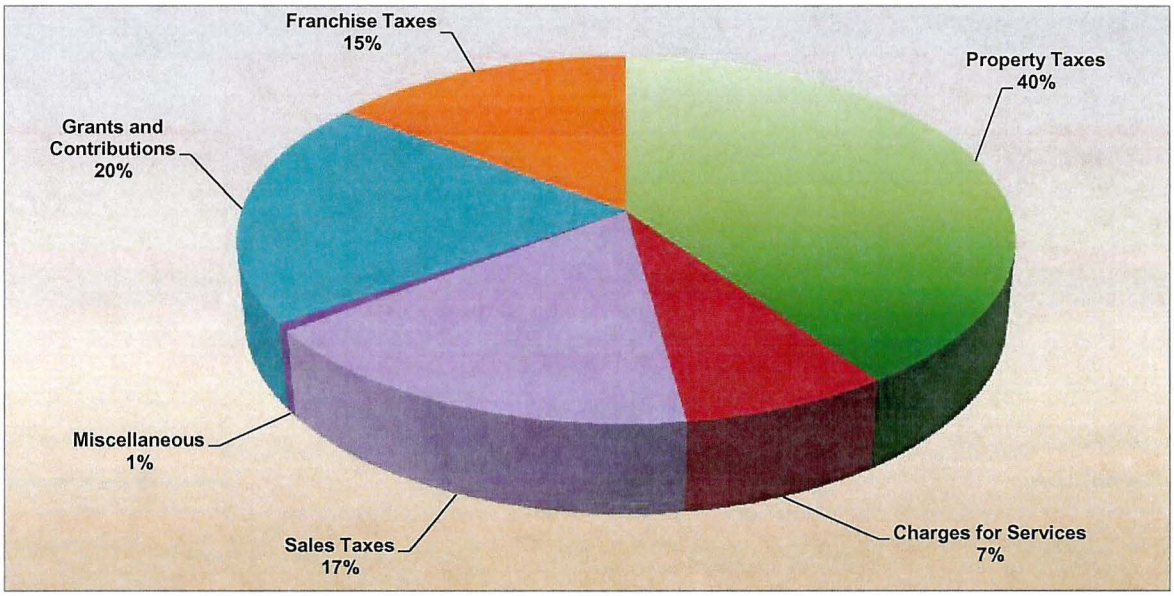
Governmental-type activities - Governmental-type activities increased the Town's net position by $2,522,138, excluding prior period adjustments. A key element of this increase is as follows:

Capital contributions increased 100%, or $1,524,366 from developer for donation of infrastructure

Expenses and Program Revenues - Governmental Activities
(amounts expressed in thousands)



Revenues by Source - Governmental Activities

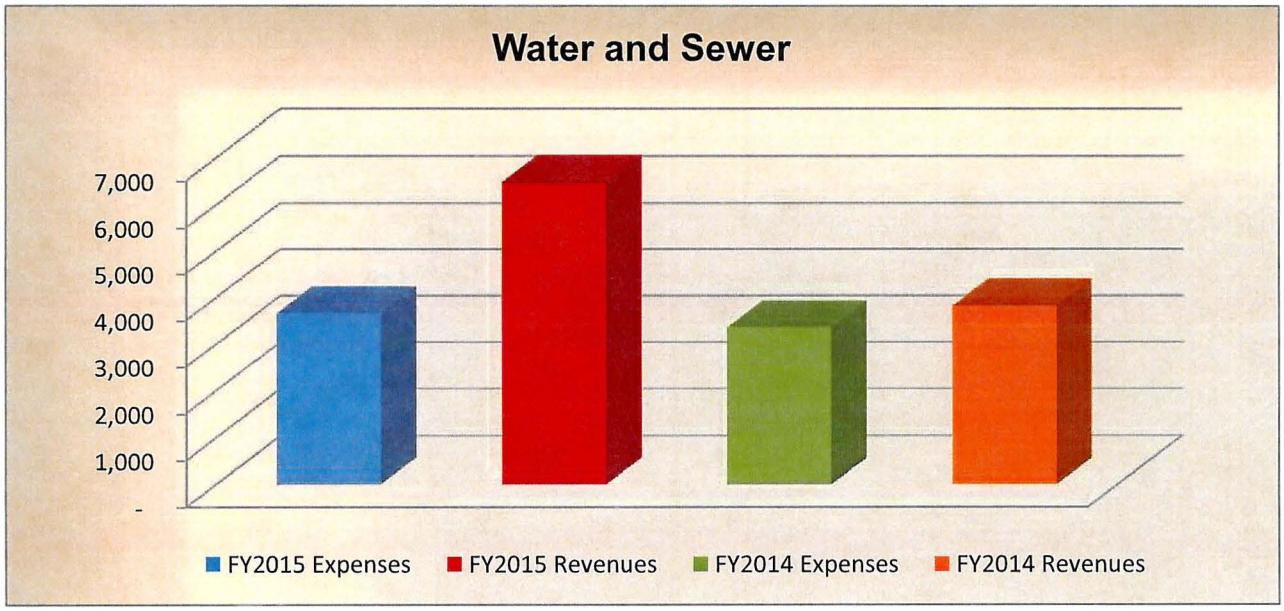


Business-type Activities - Business-type activities increased the Town's net position by $2,926,785, excluding prior period adjustments. Key elements of this increase are as follows:

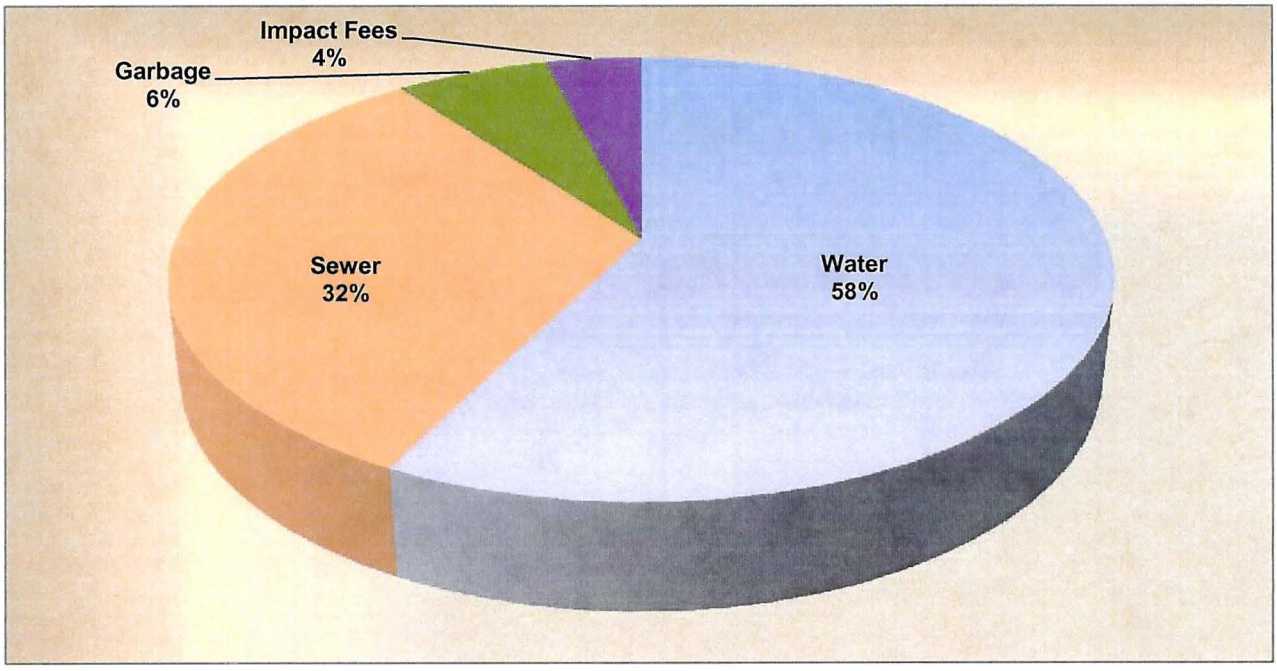
Charges for services increased $423,688, or 11%.
Capital contributions from developers for infrastructure increased 100%, or $2,239,086.

Expenditures and Program Revenues - Business-type Activities

(amounts expressed in thousands)



Revenues by Source - Business-type Activities



Financial Analysis of the Town's Funds

As noted earlier, the Town of Sunnyvale uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. Specifically, the unassigned fund balance may serve as a measure of net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of $7,397,314, an increase of $806,778, or 12%, in comparison with the prior year. The components of the total fund balance are as follows:

- Nonspendable fund balance of $40,603, of 1% of total fund balance represents note receivables due to the Town.

- Restricted fund balance of $1,480,724, or 20%, of total fund balance consist of the following:
  - revenues collected for community development of $80,368, or 5%;
  - state required restrictions for use of court fees of $112,448, or 8%;
  - restrictions for use of impact fees collected of $904,966, or 61%;
  - restrictions for debt service requirements of $231,611, or 16%.
  - restrictions for road maintenance and improvements of $151,331, or 10%.

- Assigned fund balance of $1,631,271, or 22%, of total fund balance consist of the following:
  - assigned for capital improvements of $1,234,409, or 75%.
  - assigned for vehicle replacements of $371,787, or 23%.
  - assigned for community services of $25,075, or 2%.

$4,244,716, or 57%, constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Town of Sunnyvale At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,247,916. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund represents 69% of total general fund expenditures.

General Fund Budgetary Highlights: During the fiscal year, the Town made revisions to the budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Revenues were more than the budgeted amounts, mainly in the areas of sales and franchise taxes, and intergovernmental revenues. Expenditures were less than budgeted at the fund level.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to $520,468.

Capital Asset and Debt Administration

Capital assets - The Town of Sunnyvale's investment in capital assets for its governmental and business-type activities as of September 30, 2015, totals $28,542,051 (net of accumulated depreciation). These assets include land, buildings, improvements, infrastructure, machinery and equipment, vehicles and construction in progress. This amount represents a net increase of $9,578,429, or 51%, (net of accumulated depreciation) over the prior fiscal year.

Major capital asset transactions during the year include the following additions:

- Purchase & lease of police, fire, and utility vehicles and equipment
- Purchase of DSO building and land
- Construction on various water lines
- Dedication of various street and water/sewer infrastructure by developers

Capital Assets
September 30, 2015
(net of depreciation)

	Governmental		Business-type		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 1,025,924	$ 963,894	$ 127,225	$ 127,225	$ 1,153,149	$ 1,091,119
Infrastructure	7,042,724	3,788,208	12,400,132	8,070,938	19,442,856	11,859,146
Buildings & Improvements	4,178,205	3,579,848	1,104,086	1,141,870	5,282,291	4,721,718
Machinery & Equipment	536,275	474,576	294,465	237,477	830,740	712,053
Construction in Progress	-	-	1,833,015	579,586	1,833,015	579,586
Total	$ 12,783,128	$ 8,806,526	$ 15,758,923	$ 10,157,096	$ 28,542,051	$ 18,963,622

More detailed information about the Town's capital assets is presented in Note F to the financial statements.

Long-term obligations - As of September 30, 2015, the Town of Sunnyvale had total long-term debt outstanding of $10,329,877 which is a decrease of ($295,114), or (3%), from the previous year.

Outstanding Debt
As of September 30, 2015

	Governmental		Business-type		Total	
	2015	2014	2015	2014	2015	2014
Certificates of Obligation (backed by tax revenues and net Water/Sewer revenues)	$ -	$ -	$ 2,641,573	$ 2,763,858	$ 2,641,573	$ 2,763,858
Tax Note	735,000	-	-	-	735,000	-
Refunding Bonds (backed by tax revenues and net Water/Sewer revenues)	3,728,105	4,145,040	2,588,576	2,899,987	6,316,681	7,045,027
Notes Payable	-	-	109,623	118,058	109,623	118,058
Pension Related Debt	421,914	571,197	105,086	126,851	527,000	698,048
Total	$ 4,885,019	$ 4,716,237	$ 5,444,858	$ 5,908,754	$ 10,329,877	$ 10,624,991

During the fiscal year, the Town issued Tax Notes in the amount of $785,000 and recorded pension related debt of $527,000. The beginning balances of the pension related debt of $698,048 was recorded as required by GASB Statement No. 68. More detailed information about the Town's long-term obligations is presented in Note H to these financial statements.

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2015-2016 budget, the General Fund revenues are budgeted to increase by $514,966 or 8% from the 2014-2015 budget year with general property taxes making up approximately $3,685,431 or 53% of anticipated general fund revenues. Property values show an increase of $92,610,899 over the prior year, primarily as a result of a 12% increase in taxable value. The Town Council adopted the tax rate of $0.407962 per $100 assessed valuation, which is unchanged from the prior year's rate.

Sales tax, the second largest revenue source for the General Fund, is budgeted at $1,500,000 or 22% of anticipated General Fund revenue. The Town's sales tax increased 12% from the prior year with the addition of the voter approved 1/4 cent from 4A Economic Development for road maintenance. The budget reflects a conservative sales tax expectation as economic development initiatives expand business opportunities.

Other major revenue sources include $2,250,000 from water sales, $1,100,000 from sewer services, and $996,000 from franchise agreements. On October 23, 2013 the Town adopted a tiered utility rate structure with annual rate increases scheduled through October 2017 to preserve the fiscal and operational integrity of the utility system while promoting water conservation.

The fiscal year 2015-2016 budget adopted by the Town Council includes an increase of $405,673 or 7% in the Fund budget and an increase of $603,876 or 18% in the business-type fund budget when compared to previous year's budget.

Requests for Information

This financial report is designed to provide an overview of the Town's finances for those with an interest in the government's finances. If you have any questions about this report or need additional information, contact the Town of Sunnyvale, Attention-Director of Finance at 127 N. Collins Road, Sunnyvale, Texas, call 972-203-4145, or email finance@townofsunnyvale.org.

TOWN OF
SUNNYVALE

BASIC FINANCIAL STATEMENTS

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	4A Development Corporation	4B Development Corporation
ASSETS					
Cash and cash equivalents	$ 4,946,756	$ 1,103,738	$ 6,050,494	$ 2,052,170	$ 1,552,614
Receivables (net of allowance for uncollectibles)	763,465	713,477	1,476,942	55,267	110,408
Employee promissory note receivable	40,603	-	40,603	-	-
Note receivable	531,485	-	531,485	-	-
Inventory	-	42,848	42,848	-	-
Restricted assets:					
Cash and cash equivalents	2,194,507	5,968,634	8,163,141	-	151,331
Capital assets not depreciated:					
Land	1,025,924	127,225	1,153,149	-	-
Construction in progress	-	1,833,015	1,833,015	-	-
Capital assets net of accumulated depreciation:					
Infrastructure	7,042,724	12,400,132	19,442,856	-	-
Buildings	4,178,205	1,104,086	5,282,291	-	-
Machinery and equipment	536,275	294,465	830,740	3,575	-
Total Assets	21,259,944	23,587,620	44,847,564	2,111,012	1,814,353
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	143,832	35,824	179,656	5,698	11,782
Deferred charge on refunding	-	2,172	2,172	-	-
Total deferred outflows of resources	143,832	37,996	181,828	5,698	11,782
LIABILITIES					
Accounts payable	393,585	1,261,350	1,654,935	216	203
Other liabilities	151,590	38,149	189,739	-	-
Accrued interest payable	-	22,020	22,020	-	-
Customer deposits	-	128,795	128,795	-	-
Noncurrent Liabilities:					
Due within one year:					
Compensated absences	23,270	1,238	24,508	-	-
Notes payable	120,000	12,004	132,004	45,909	-
Certificates of Obligations	-	120,000	120,000	-	-
Bonds payable	415,000	305,000	720,000	-	-
Due in more than one year:					
Compensated absences	51,663	19,016	70,679	719	3,803
Net pension liability	421,914	105,086	527,000	16,715	34,560
Notes payable	615,000	97,619	712,619	485,576	-
Certificates of Obligations	-	2,521,573	2,521,573	-	-
Bonds payable	3,313,105	2,283,576	5,596,681	-	-
Total Liabilities	5,505,127	6,915,426	12,420,553	549,135	38,566
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	162,023	40,355	202,378	6,419	13,272
Total deferred inflows of resources	162,023	40,355	202,378	6,419	13,272
NET POSITION					
Net investment in capital assets	9,192,257	14,404,813	23,597,070	3,575	-
Restricted for:					
Development	80,368	-	80,368	-	151,331
Municipal court	112,448	-	112,448	-	-
Debt service	231,611	601,879	833,490	-	-
Street maintenance	151,331	-	151,331	-	-
Impact fees	904,966	1,142,675	2,047,641	-	-
Unrestricted	5,063,645	520,468	5,584,113	1,557,581	1,622,966
Total Net Position	$ 15,736,626	$ 16,669,835	$ 32,406,461	$ 1,561,156	$ 1,774,297

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	$ 1,052,425	$ 105,332	$ 108,497	$ -
Public Safety	2,367,607	109,281	9,200	-
Public Services and Operations	816,091	296,036	-	-
Public Works	595,851	101,283	-	1,491,348
Parks and Recreation	509,635	2,565	-	33,018
Library	142,545	1,632	687	-
Interest on Long-Term Debt	103,540	-	-	-
Total governmental activities	5,587,694	616,129	118,384	1,524,366
Business-type Activities:				
Utility Fund	3,663,328	4,249,639	-	2,239,086
Total business-type activities	3,663,328	4,249,639	-	2,239,086
Total primary government	9,251,022	4,865,768	118,384	3,763,452
Component units:				
4A Development Corporation	493,847	-	-	-
4B Development Corporation	325,775	-	-	-
Total component units	$ 819,622	$ -	$ -	$ -

General revenues:
Property taxes
Sales taxes
Franchise taxes
Miscellaneous
Investment income
Transfers
Total general revenues
Change in net position
Net position - beginning
Prior Period Adjustment
Net position - ending

The accompanying notes to the financial statements are an integral part of this financial statement.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business Activities	Total	4A Development Corporation	4B Development Corporation
$ (838,596)	$ -	$ (838,596)	$ -	$ -
(2,249,126)	-	(2,249,126)	-	-
(520,055)	-	(520,055)	-	-
996,780	-	996,780	-	-
(474,052)	-	(474,052)	-	-
(140,226)	-	(140,226)	-	-
(103,540)	-	(103,540)	-	-
(3,328,815)	-	(3,328,815)	-	-
-	2,825,397	2,825,397	-	-
-	2,825,397	2,825,397	-	-
(3,328,815)	2,825,397	(503,418)	-	-
-	-	-	(493,847)	-
-	-	-	-	(325,775)
$ -	$ -	$ -	$ (493,847)	$ (325,775)
$ 3,314,131	$ -	$ 3,314,131	$ -	$ -
1,376,840	-	1,376,840	461,423	612,755
1,205,928	-	1,205,928	-	-
51,245	-	51,245	-	-
1,085	3,112	4,197	723	258
(98,276)	98,276	-	-	-
5,850,953	101,388	5,952,341	462,146	613,013
2,522,138	2,926,785	5,448,923	(31,701)	287,238
11,842,699	11,521,854	23,364,553	1,613,035	1,528,777
1,371,789	2,221,196	3,592,985	(20,178)	(41,718)
$ 15,736,626	$ 16,669,835	$ 32,406,461	$ 1,561,156	$ 1,774,297

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 4,944,756	$ -	$ 2,000	$ 4,946,756
Receivables (net of allowances for uncollectible)	580,816	3,284	179,365	763,465
Employee promissory note receivable	40,603	-	-	40,603
Note receivable	531,485	-	-	531,485
Restricted - cash and cash equivalents	151,331	228,823	1,814,353	2,194,507
Total assets	6,248,991	232,107	1,995,718	8,476,816
LIABILITIES				
Accounts payable	388,385	-	5,200	393,585
Other liabilities	151,590	-	-	151,590
Total liabilities	539,975	-	5,200	545,175
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	2,346	496	-	2,842
Unavailable revenue - note receivable	531,485	-	-	531,485
Total deferred inflows of resources	533,831	496	-	534,327
Fund Balances				
Nonspendable:				
Promissory note	40,603	-	-	40,603
Restricted for:				
Community development	-	-	80,368	80,368
Municipal court	-	-	112,448	112,448
Impact fees	-	-	904,966	904,966
Street maintenance	151,331	-	-	151,331
Debt Service	-	231,611	-	231,611
Assigned for:				
Infrastructure improvements	338,473	-	-	338,473
Vehicle replacement	371,787	-	-	371,787
Community services	25,075	-	-	25,075
Capital improvements	-	-	895,936	895,936
Unassigned	4,247,916	-	(3,200)	4,244,716
Total fund balances	5,175,185	231,611	1,990,518	7,397,314
Total liabilities, deferred inflows of resources, and fund balances	$ 6,248,991	$ 232,107	$ 1,995,718	$ 8,476,816

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances - governmental funds balance sheet	$	7,397,314
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		18,545,068
Accumulated depreciation has not been included in the governmental fund financial statements.		(5,761,940)
Premiums and discounts on issuance of debt are not recognized on the balance sheet for governmental funds.		(213,105)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.		534,327
Deferred inflow/outflow of resources for pension are not reported in the fund financial statements		(18,191)
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported in the funds.		(4,250,000)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the fund financial statements.		(421,914)
Accrued liabilities for compensated absences are not reflected in the fund financial statements.		(74,933)
Net position of governmental activities - statement of net position	$	15,736,626

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Other Governmental Funds	Total
REVENUES				
Property taxes	$ 2,795,161	$ 605,580	$ -	$ 3,400,741
Franchise taxes	1,205,928	-	-	1,205,928
Fines and forfeitures	277,518	-	21,773	299,291
Licenses and permits	163,582	-	-	163,582
Sales tax collected	1,376,840	-	-	1,376,840
Charge for services	44,415	-	-	44,415
Impact fees	-	-	101,283	101,283
Investment income	187	90	808	1,085
Donation - Library	687	-	-	687
Intergovernmental - state & local	195,389	-	-	195,389
Miscellaneous	15,850	-	35,395	51,245
Total Revenues	6,075,557	605,670	159,259	6,840,486
EXPENDITURES				
Current:				
General government	930,334	550	-	930,884
Public safety	2,259,340	-	-	2,259,340
Public works	444,662	-	-	444,662
Public services and operations	808,310	-	28,015	836,325
Parks and recreation	438,869	-	-	438,869
Library	146,395	-	-	146,395
Debt Service:				
Principal retirement	-	450,000	-	450,000
Interest and fiscal agent fees	-	103,540	-	103,540
Issuance costs of tax note	-	23,041	-	23,041
Capital Outlays:				
General government	840,065	-	-	840,065
Public works	161,556	-	-	161,556
Public safety	53,290	-	-	53,290
Parks and recreation	17,460	-	-	17,460
Library	22,885	-	-	22,885
Total Expenditures	6,123,166	577,131	28,015	6,728,312
Excess (deficiency) of revenues over (under) expenditures	(47,609)	28,539	131,244	112,174
Other Revenues and Financing Sources (uses)				
Issuance of tax note	-	785,000	-	785,000
Sale of assets	7,880	-	-	7,880
Transfers	730,270	(790,171)	(38,375)	(98,276)
Total Other Financing Sources (uses)	738,150	(5,171)	(38,375)	694,604
Net Change in Fund Balance	690,541	23,368	92,869	806,778
Fund Balances, October 1	4,484,644	208,243	1,897,649	6,590,536
Fund Balances, September 30	$ 5,175,185	$ 231,611	$ 1,990,518	$ 7,397,314

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - statement of revenues, expenditures and changes in fund balances - governmental funds	$	806,778
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements but these are shown as an increase in capital assets in the government-wide financial statements. The effect of removing the 2015 capital outlays is to increase net position.		1,095,256
Governmental funds focus on current financial resources. Therefore, donations of assets that will be used in operations rather than sold are never reported in governmental funds.		1,491,348
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.		(490,770)
Current year long-term debt principal payments are expenditures in the fund financial statements but are shown as a reduction in long term debt in the government-wide financial statements.		450,000
Bond premiums are recognized as an other financing source in the governmental funds, whereas premiums and discounts are deferred and amortized over the life of the bonds in the statement of activities.		16,935
Gain or loss on disposal of asset are other financing sources in the fund financial statements and are not recognized in the statement of activities.		(321)
Current year bond proceeds are other finance sources in the fund financial statements but are shown as an increase in the government-wide liabilities section of the financial statements.		(785,000)
Changes in net pension liability are not shown in the fund financial statements.		69,196
Revenues in the statement of revenues, expenditures and changes in fund balances that are not recognized as revenues in the statement of activities.		(131,284)
Change in net position - statement of activities	$	2,522,138

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Property taxes	$ 2,860,129	$ 2,936,629	$ 2,795,161	$ (141,468)
Franchise Tax	917,000	1,105,643	1,205,928	100,285
Sales Tax	1,140,000	1,140,000	1,376,840	236,840
Fines and Forfeitures	424,275	424,275	277,518	(146,757)
Licenses and Permits	234,100	252,296	163,582	(88,714)
Charge for Services	46,000	46,000	44,415	(1,585)
Investment Income	500	500	187	(313)
Intergovernmental - state & local	-	87,000	195,389	108,389
Miscellaneous	3,000	28,340	16,537	(11,803)
Total Revenues	5,625,004	6,020,683	6,075,557	54,874
EXPENDITURES				
General Government	1,109,804	1,083,903	930,334	153,569
Capital Outlay	265,000	269,000	840,065	(571,065)
Total General Government	1,374,804	1,352,903	1,770,399	(417,496)
Public Safety				
Police	1,654,208	1,738,658	1,502,965	235,693
Fire	711,466	793,062	756,375	36,687
Capital Outlay	25,000	25,000	53,290	(28,290)
Total Public Safety	2,390,674	2,556,720	2,312,630	244,090
Public Services and Operations	799,741	865,191	808,310	56,881
Total Public Services	799,741	865,191	808,310	56,881
Public Works				
Public Works	580,000	520,000	444,662	75,338
Capital Outlay	102,875	147,875	161,556	(13,681)
Total Parks and Recreation	682,875	667,875	606,218	61,657
Parks and Recreation				
Parks	411,748	468,748	438,869	29,879
Capital Outlay	52,000	52,000	17,460	34,540
Total Parks and Recreation	463,748	520,748	456,329	64,419
Library				
Library	147,474	147,474	146,395	1,079
Capital Outlay	23,000	23,000	22,885	115
Total Parks and Recreation	170,474	170,474	169,280	1,194
Total Expenditures	5,882,316	6,133,911	6,123,166	10,745
Excess (deficiency) of revenues over (under) expenditures	(257,312)	(113,228)	(47,609)	65,619
Other Revenues and Financing Sources (uses)				
Sale of assets	-	-	7,880	7,880
Transfers	111,000	25,000	730,270	705,270
Total Other Financing Sources (uses)	111,000	25,000	738,150	713,150
Net change in Fund Balances	(146,312)	(88,228)	690,541	778,769
Fund Balances/Equity, beginning of year	4,484,644	4,484,644	4,484,644	
Fund Balances/Equity, end of year	$ 4,338,332	$ 4,396,416	$ 5,175,185	

The notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2015

	Utility Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 1,103,738
Restricted cash and cash equivalents	5,968,634
Receivables (net of allowance for uncollectibles)	713,477
Total Current Assets	7,785,849
Noncurrent Assets:	
Inventory	42,848
Capital Assets:	
Land	127,225
Infrastructure	16,363,253
Buildings	1,959,800
Machinery and equipment	665,590
Construction-in-progress	1,833,015
Less: accumulated depreciation	(5,189,960)
Total capital assets, net of accumulated depreciation	15,758,923
Total noncurrent assets	15,801,771
Total Assets	23,587,620
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	2,172
Deferred outflows from pensions	35,824
Total Deferred Outflows of Resources	37,996
LIABILITIES	
Current Liabilities:	
Accounts payable	1,261,350
Other liabilities	38,149
Payables from restricted assets:	
Customer deposits	128,795
Accrued interest payable	22,020
Compensated absences - current	1,238
Notes payable - current	12,004
Certificates of obligation - current	120,000
Bonds payable - current	305,000
Total Current Liabilities	1,888,556
Noncurrent Liabilities:	
Compensated absences	19,016
Net pension liability	105,086
Notes payable	97,619
Certificates of obligation	2,521,573
Bonds payable	2,283,576
Total noncurrent liabilities	5,026,870
Total Liabilities	6,915,426
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pensions	40,355
Total Deferred Inflows of Resources	40,355
NET POSITION	
Net investment in capital assets	14,404,813
Restricted for:	
Debt service	601,879
Impact fees	1,142,675
Unrestricted	520,468
Total Net Position	$ 16,669,835

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Utility Fund
OPERATING REVENUES:	
Charges for sales and services:	
Water sales	$ 2,438,434
Sewer sales	1,376,841
Garbage collection fees	263,998
Total operating revenues	4,079,273
OPERATING EXPENSES:	
Personnel services	368,507
Supplies and materials	59,326
Maintenance and repair	99,234
Contractual services	2,591,888
Depreciation	364,000
Total operating expenses	3,482,955
Operating income (loss)	596,318
NON-OPERATING REVENUES (EXPENSES):	
Investment income	3,112
Impact fees	165,057
Amortization	18,696
Interest expense	(186,615)
Sale of asset	3,050
Bad debt expense	(10,195)
Total non-operating revenues (expenses)	(6,895)
Income before capital contributions and transfers	589,423
Capital contributions	2,239,086
Transfers	98,276
Changes in net position	2,926,785
Net position, October 1	11,521,854
Prior period adjustments	2,221,196
Net position, September 30	$ 16,669,835

The accompanying notes to the financial statements are an integral part of this financial statement.

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 3,982,565
Cash received from other sources	52,283
Cash paid to employees	(395,725)
Cash paid for goods and services	(1,805,627)
Net cash provided by (used in) operating activities	1,833,496
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES	
Transfers to other funds	98,276
Impact fees	165,057
Net cash provided by (used in) noncapital financing activities	263,333
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(1,378,693)
Gain/loss on disposal of capital assets	3,050
Interest and fiscal charges on debt	(179,533)
Deferred charge on refunding	4,657
Principal payments on bonds	(427,004)
Net cash provided by (used in) capital & related financing activities	(1,977,523)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	3,112
Net cash provided by (used in) investing activities	3,112
Net increase (decrease) in cash and cash equivalents	122,418
Cash and cash equivalents, October 1	6,949,954
Cash and cash equivalents, September 30	$ 7,072,372
Reconciliation of operating income to net cash provided by operation activities:	
Operating Income (Loss)	$ 596,318
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	364,000
Amortization	(14,039)
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Receivables	(114,491)
Due to/from	62,478
Inventory	21,783
Increase (decrease) in liabilities:	
Accounts payable	944,821
Customer deposits	(4,000)
Compensated absences	(9,984)
Accrued interest payable	7,082
Pension liability	(20,472)
Total adjustments	1,237,178
Net cash provided by (used in) operating activities	$ 1,833,496

The accompanying notes to the financial statements are an integral part of this financial statement.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Sunnyvale ("Town") is a municipal corporation governed by an elected mayor and a six-member Council. The Town provides the following services to the citizens of the Town as authorized by its charter: public safety (police and fire), public works, parks and recreation, water and sewer utilities, and general administrative services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to the state and local governments. Generally accepted accounting principles for local government include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments- Audit and Accounting Guide.* The more significant accounting policies of the Town are described below:

1. Reporting Entity

The Town is a municipal corporation governed by an elected mayor and six-member Council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Town is a financial reporting entity as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units."

Under GASB Statement No. 14, component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Town. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. GASB Statement No. 39 added clarification to GASB Statement No. 14 by including entities which meet all three of the following requirements:

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents;

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization;

3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to other access, are significant to the primary government.

The financial statements of the following component units have been "discretely presented" in the accompanying report because (i) their governing boards are not substantially the same as the governing body of the Town, or (ii) the component unit provides services entirely or almost entirely to the citizenry and not the Town.

Discretely presented component units. The Town has two discretely presented component units, 4A Development Corporation and 4B Development Corporation. The component units described below are included in the Town's reporting entity because the Town appoints the governing body and the Corporations are fiscally dependent on the Town. To emphasize that the component units are legally separate from the Town, they are reported in a separate column in the financial statements. Fund information for the component units can be found in the supplementary information in this report. There are no separate financial statements issued for the component units.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity (continued)

The Sunnyvale 4A Development Corporation is governed by a 5-member board appointed by and serving at the pleasure of the Town Council. The funding for the Corporation occurs with the collection of 1/2 of one percent of sales tax collections from the Town. The Corporation promotes development of commercial real estate, fosters local prosperity and offers a competitive advantage for new, relocating, and expanding businesses.

The Sunnyvale 4B Development Corporation is responsible for collecting and disbursing the one-half of one percent sales tax to be used for economic incentives and development and improvement in the quality of life for its citizens. The members of the Corporation's board serve at the pleasure of the Town Council.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria to be included as a component unit if management's professional judgment determines it to be necessary and misleading if omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

2. Basis of Presentation, Basis of Accounting

The basic financial statements are prepared in conformity with GASB Statement No. 34 which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund but distinguish between the Town's governmental activities and business-type activities on the statement of net position and statement of activities. Significantly, the Town's statement of net position includes both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the Town's capital assets, including infrastructure.

In addition to the government-wide financial statements, the Town has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis includes an analytical overview of the Town's financial activities. In addition, a budgetary comparison statement is presented that compare the original adopted and final amended budget with actual results for the General Fund.

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise taxes, and interest income).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Basis of Presentation, Basis of Accounting (continued)

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the funds financial statements. The major governmental funds are the General Fund and the Debt Service Fund. The major proprietary fund is the utility fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and proprietary combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements. With the adoption of GASB Statement No. 63, the presentation of deferred inflows/outflows is included in this calculation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are franchise fees and other charges between the government's water and sewer function and various other functions of the government, if any. Elimination of these charges would distort the direct costs and program revenues reported by the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the Utility Fund are charges to customers for sales and services. The Utility Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the costs of sales and service administrative expenses and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on major individual funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

3. Measurement Focus

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred, regardless of the timing of cash flows.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available when they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable shortly after year end as required by GASB Interpretation No. 6.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Measurement Focus (continued)

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is a description of the Town's major governmental funds:

The ***General Fund*** is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvements costs that are not paid through other funds are paid from this fund.

The ***Debt Service Fund*** accounts for the accumulation of resources for the payment of general principal, interest, and related cost on long term obligation debt of governmental funds.

Proprietary funds are accounted for on a flow of economic resources measurement focus. Within the measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principal operating revenues of the Town's water and sewer services are charges to customers for sales and services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The following is a description of the proprietary fund:

The ***Utility Fund*** accounts for the activities of trash collection, and water and wastewater operations that are intended to be self-supporting on a user charge basis.

4 Financial Statement Amounts

a. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of one year or less from the date of acquisition.

b. Inventories

Inventories are valued using the first-in/first-out ("FIFO") method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4 Financial Statement Amounts (continued)

c. Receivable and Payable Balances

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and are reported as Internal Balances.

Legally authorized transfers are treated as transfers and are included in the results of operations of both governmental and proprietary funds.

d. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the proprietary fund represent cash and cash equivalents and investments set aside for repayment of customer's water/sewer deposits, impact fees, and various bond covenants.

Impact fees are the capital recovery fees that are, by law, restricted to the projects these funds may be used to support.

Customer deposits received for water and sewer services are, by law, to be considered restricted assets. These activities are included in the Utility Fund.

e. Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, purchased or acquired, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. The Town defines capital assets as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current fiscal year.

Management elected not to retroactively report infrastructure assets within the scope of GASB 34.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Buildings	40 years
Building Improvements	10-40 years
Machinery & Equipment	3-5 years
Infrastructure	40-50 years

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4 Financial Statement Amounts (continued)

f. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town only has two items that qualifies for reporting in this category. It is the deferred charge on refunding debt reported in the government- wide statement of net position and on the utility operations fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. Also, the difference between projected and actual investment earnings that are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three items that qualify for reporting in this category. Accordingly, the item, *unavailable revenue* is reported in the governmental funds balance sheet. Deferred revenue from property taxes is shown as a deferred inflow of resource. The amount is deferred and recognized as inflows of resources in the period that the amounts become available. Deferred revenue from the receivable from 4A is shown as a deferred resource. The amount is deferred and recognized as inflows of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is recorded in the government-wide statement of net position and fund level financials for the proprietary statement of net position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the Plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

g. Compensated absences

It is the government's policy to permit employees with at least six months of continuous service to accumulate earned but unused vacation pay benefits, not to exceed two times the rate of the employees' annual rate of accrual based on years of service. It is the Town's policy to pay up to 90 days of unused sick time for full time employees upon termination. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. As such, there is an accrual at the close of the fiscal year in the government-wide and proprietary fund financial statements for the amount due to all employees as of September 30, 2015. No unused holiday leave will be paid out upon termination of employment.

h. Pension Plan

In government-wide financial statements, retirement plans (pension) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amounts recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4 Financial Statement Amounts

h. Pension Plan (continued)

In general, the Town recognizes a net pension liability, which represents the Town's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Texas Municipal Retirement System ("TMRS"). The net pension liability is measured as of December 31, 2014. Changes in the net pension liability are recorded as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) will be amortized over the weighted average remaining service life of all participants and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred inflows/outflows of resources relating to pension expense, information about the fiduciary net position of the Town's pension plant with TMRS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earning on pension investments are recognized as a component of pension expense. Difference between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

i. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. The Town has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4 Financial Statement Amounts (continued)

k. Fund Balance Policies

In the fund financial statements, governmental funds report reservations of fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the Town is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* - includes the portion of net resources that cannot be spent because of their form (i.e., inventory, long-term loans, or prepaids) or because they must remain intact.

- *Restricted fund balance* - includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation.

- *Committed fund balance* - includes the portion of net resources that can only be used for specific purposes determined by a resolution or ordinance of the Town Council and that remains binding unless removed in the same manner. The resolution must be approved before the end commitment will be reflected on the financial statements.

- *Assigned fund balance* - includes the portion of net resources for which an *intended* use has been established by the Town Council or the Town Manager. Assignment of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund, as directed by the Town Council or the Town Manager.

- *Unassigned fund balance* - includes the amounts in the General Fund in excess of what can properly be classified in one of the other categories of fund balance. It is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The purpose of the Town's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unprecedented one-time expenditures.

It is the long-term goal of the Town to maintain a minimum unassigned fund balance in the general fund equivalent to no less than three (3) months of operating expenses. The Town is currently in compliance with this policy.

m. Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4 Financial Statement Amounts (continued)

n. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed.

o. Comparative Data

Comparative total data for the current year to budget have been presented in the supplementary section of the financial statements in order to provide an understanding of budgeted to actual results.

p. Property Taxes

The Town's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Dallas Central Appraisal District as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Dallas Appraisal District bill the property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time, substantially all property taxes are collected. Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 60 days following the close of the fiscal year have been recognized as a revenue at the fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the Town may, at its own expense, require annual reviews of appraisal values. The Town may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the Town continues to set tax rates on Town property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

The statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2015, the Town had a tax rate of $.40796 per $100 assessed values.

q. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net position.

r. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4 Financial Statement Amounts (continued)

s. Program Revenues

Certain revenues such as charges for services and impact fees are included in program revenues.

t. Program Expenses

Certain indirect costs such as administrative costs are included in the program expense reported for individual functional activities.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None	N/A

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Action Taken
Tax Increment Fund	$ (3,200)	Deficit covered by unrestricted fund balance of the General Fund.

3. Budgets and Budgetary Accounting

The Town adopts an "appropriated budget" of several of the governmental funds by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures.

The following procedures are followed in establishing the budgetary data:

- The Town Manager shall submit a proposed budget containing a complete financial Plan for each fiscal year. Such budget shall be submitted to the Town Council not more than one hundred twenty (120) days but not less than sixty (60) days prior to the beginning of each fiscal year.

- The General Fund is legally required to have an adopted budget and is included in the basic financial statements. The Town Manager shall submit a five-year Capital Improvement Program as an attachment to the annual budget. The Program shall include a list of all capital improvements that are proposed for the five fiscal years succeeding the budget year; cost estimates, method of financing, and recommended time schedules for each improvement; and the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. The information may be revised and extended each year with regard to the capital improvements still pending or in process of construction or acquisition. The level of control (the level that expenditures cannot exceed budget) is the fund level.

- The Town Council shall have published a notice for a public hearing on the budget in accordance with State Law.

B. COMPLIANCE AND ACCOUNTABILITY

3. Budgets and Budgetary Accounting (continued)

- After the public hearing, the Town Council may adopt the budget with or without amendment. In amending the budget, the Town Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service.

- On or before the 20th day of the last month of the fiscal year currently ending, the Town Council shall adopt the budget by an affirmative vote of a majority of the members of Town Council then qualified and serving. If the Town fails to adopt the budget by this date, the amounts appropriated for current operation for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly, until such time as the Town Council adopts a budget for the ensuing fiscal year. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

- Under conditions which may arise and which could not have been foreseen in the normal process of budget preparation, the Town Council may, by an affirmative action vote of a majority of the members of the Town Council then qualified and serving, amend the budget. Such amendments shall be by ordinance.

C. CASH AND INVESTMENTS

The Town's funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with the Town's agent approved pledged securities authorized by Chapter 2257, "Collateral for Public Fund of the Government Code", in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC").

Cash Deposits

At September 30, 2015, the carrying amount of the Town's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $14,213,635 and the bank balance was $14,461,013. The Town's cash deposits at September 30, 2015 and during the year ended September 30, 2015, were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Cash and investments as of September 30, 2015 consist of and are classified in the financial statements as follows:

Statement of net position:

Primary Government	
Cash and cash equivalents	$ 6,050,494
Restricted assets-cash and cash equivalents	8,163,141
Total cash and cash equivalents	$ 14,213,635
Governmental - Restricted Cash	
Community services	$ 38,740
Use of impact fees	903,379
Road maintenance and improvements	151,331
Debt service	228,823
Capital projects	872,234
Total Governmental	2,194,507

C. CASH AND INVESTMENTS

Cash Deposits (continued)

Business-type - Restricted Cash	
Customer deposits	128,795
Debt service	601,879
Use of impact fees	1,252,298
Capital projects	3,985,662
Total Business-type	5,968,634
Total Restricted cash	$ 8,163,141

Investments

The Public Funds Investment Act ("Act") (Government Code Chapter 2256) requires the Town to have an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the Town adhered to the requirements of the Act. Additionally, investment practices of the Town were in accordance with local policies.

Currently, all of the Town's investments are with TexSTAR. TexSTAR is administered by First Southwest Asset Management Inc. and JP Morgan Chase. Together, these organizations bring to the TexSTAR program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management. TexSTAR is a local government investment cooperative created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAAm by Standard & Poor's. A request for TexSTAR's financial statement can be made at www.TexStar.org.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Town to require full collateralization of all Town investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities.

In order to anticipate market changes and provide a level of security for all funds, it is the Town's policy that the market value of investments securing the deposit of funds shall be at least equal to or not less than 102% of the amount of the deposit of funds, reduced to the extent that the deposits are insured by the FDIC. The fair value of collateral will always equal or exceed the principal and accrued interest of deposits at financial institutions. At its discretion, the Town may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the Town has a current custodial agreement. As of September 30, 2015, The Town is in compliance with this policy.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements and the actual rating as of year end for each investment type.

The Town will minimize credit risk, the risk of loss due to the failure of the security issuer or backer by:

- Limiting investment to the safest types of securities;
- Pre-qualifying the financial institutions and broker/dealers with which the Town will do business;
- Diversifying the investment portfolio so that potential loss on individual securities will be minimized.

C. CASH AND INVESTMENTS (continued)

Interest Rate Risk

Investment rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The Town monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Town's investment policy has no specific limitations with respect to this metric.

As of September 30, 2015, the Town had the following investments:

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End	Average Maturity
TexStar	$ 4,857,897	N/A	AAA-m	50 days

D. RECEIVABLES

Receivables as of year end for the government's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Utility	Total
Receivables:				
Taxes	$ 320,936	$ 9,959	$ -	$ 330,895
Fees and Charges	1,524,722	-	718,152	2,242,874
Gross Receivables	1,845,658	9,959	718,152	2,573,769
Less: allowance for uncollectibles	(1,085,477)	(6,675)	(4,675)	(1,096,827)
Net Total Receivables	$ 760,181	$ 3,284	$ 713,477	$ 1,476,942

E. NOTE RECEIVABLE

The Sunnyvale 4A Development Corporation agreed to pay a portion of the Town's 2013 Refunding Bond by remitting to the Town from the receipts of local sales and use taxes received by the Corporation to pay a portion of the principal and interest on the bonds.

	Beginning Balances	Additions	Decreases	Ending Balances	Due Within One Year
Note receivable-4A Dev	$ 576,158	$ -	$ 44,673	$ 531,485	$ 45,909

Requirements as follows:

Year Ending Sept 30	Payment
2016	45,909
2017	49,927
2018	52,910
2019	34,998
2020	35,164
2021-2025	189,390
2026-2028	123,187
	$ 531,485

F. CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2015 was as follows:

	Beginning Balances	Transfers	Additions	Decreases	Ending Balances
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 963,894	$ -	$ 62,030	$ -	$ 1,025,924
Total capital assets, not being depreciated	963,894	-	62,030	-	1,025,924
Capital assets, being depreciated:					
Buildings & Improvements	4,907,348	-	728,630	(242,926)	5,393,052
Machinery & Equipment	3,500,646	-	193,329	(50,440)	3,643,535
Infrastructure	4,926,227	1,959,565	1,602,515	(5,750)	8,482,557
Total capital assets being depreciated	13,334,221	1,959,565	2,524,474	(299,116)	17,519,144
Less accumulated depreciation for:					
Buildings & Improvements	(1,327,501)	-	(130,272)	242,926	(1,214,847)
Machinery & Equipment	(3,025,970)	-	(131,730)	50,440	(3,107,260)
Infrastructure	(1,138,019)	(78,474)	(228,768)	5,428	(1,439,833)
Total accumulated depreciation	(5,491,490)	(78,474)	(490,770)	298,794	(5,761,940)
Total capital assets, being depreciated, net	7,842,731	1,881,091	2,033,704	(322)	11,757,204
Governmental activities capital assets, net	$ 8,806,625	$ 1,881,091	$ 2,095,734	$ (322)	$ 12,783,128

	Beginning Balances	Transfers	Additions	Decreases	Ending Balances
Business-type Activities					
Capital assets, not being depreciated:					
Land	$ 127,225	$ -	$ -	$ -	$ 127,225
Construction in Progress	579,586	-	1,253,429	-	1,833,015
Total capital assets, not being depreciated	706,811	-	1,253,429	-	1,960,240
Capital assets, being depreciated:					
Buildings	1,959,800	-	-	-	1,959,800
Machinery & Equipment	603,700	-	83,390	(21,500)	665,590
Infrastructure	11,667,748	2,452,919	2,242,586	-	16,363,253
Total capital assets being depreciated	14,231,248	2,452,919	2,325,976	(21,500)	18,988,643
Less accumulated depreciation for:					
Buildings	(817,930)	-	(37,784)	-	(855,714)
Machinery & Equipment	(366,223)	-	(26,402)	21,500	(371,125)
Infrastructure	(3,596,810)	(66,497)	(299,814)	-	(3,963,121)
Total accumulated depreciation	(4,780,963)	(66,497)	(364,000)	21,500	(5,189,960)
Total capital assets, being depreciated, net	9,450,285	2,386,422	1,961,976	-	13,798,683
Business-type activities capital assets, net	$ 10,157,096	$ 2,386,422	$ 3,215,405	$ -	$ 15,758,923

F. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	$ 137,224
Public Safety	96,587
Public Works	151,189
Community Service	25,281
Parks & Recreation	80,489
Total depreciation expense - governmental activities	$ 490,770
Business-type activities:	
Utility	$ 364,000
Total depreciation expense - business-type activities	$ 364,000

G. CONSTRUCTION COMMITMENTS

The Town has active construction projects as of September 30, 2015. The projects include construction of a water tower and water and sewer infrastructure.

Project	Spent-to-date	Remaining Commitment
Water Tower	$ 395,244	$ 3,960,018
East Fork Road	385,398	19,412
Manor Way Road	623,551	131,354
Town East Road	322,306	29,461
Deer Creek	71,850	20,737
Buffle Head	34,666	19,394
Totals	$ 1,833,015	$ 4,180,376

H. LONG-TERM OBLIGATIONS

A summary of long-term debt transactions, including the current portion, for the year ended September 30, 2015, is as follows:

	Beginning Balance	Issued	Decrease	Ending Balance	Due Within One Year
Governmental Activities					
Refunding bonds	$ 3,915,000	$ -	$ (400,000)	$ 3,515,000	$ 415,000
Tax Note	-	785,000	(50,000)	735,000	120,000
Plus: Issuance premiums	230,040	-	(16,935)	213,105	16,935
Total bonds payable	4,145,040	785,000	(466,935)	4,463,105	551,935
Net pension liability	571,197	-	(149,283)	421,914	-
Compensated absences	74,933	107,636	(107,636)	74,933	23,270
Governmental activity Long-term liabilities	$ 4,791,170	$ 892,636	$ (723,854)	$ 4,959,952	$ 575,205

H. LONG-TERM OBLIGATIONS (continued)

	Beginning Balance	Issued	Decrease	Ending Balance	Due Within One Year
Business-type Activities					
Water & Sewer					
Refunding bonds	$ 2,735,000	$ -	$ (295,000)	$ 2,440,000	$ 305,000
Certificates of obligation	2,725,000	-	(120,000)	2,605,000	120,000
Plus: issuance premiums	203,845		(18,696)	185,149	18,696
Total Bonds Payable	5,663,845	-	(433,696)	5,230,149	443,696
Notes payable	168,048	-	(12,004)	156,044	12,004
Minus: Issuance discounts	(49,992)	-	3,571	(46,421)	3,571
Total Notes Payable	118,056	-	(8,433)	109,623	15,575
Net pension liability	126,851	-	(21,765)	105,086	-
Compensated absences	30,238	25,225	(35,209)	20,254	1,238
Business-type activity Long-term liabilities	$ 5,812,139	$ 25,225	$ (477,338)	$ 5,360,026	$ 460,509

General obligation bonds
The general obligation bonds are backed by the full faith and credit of the Town and are payable from property taxes.

Refunding bonds and certificates of obligation
The refunding bonds and certificates of obligation are payable from the net revenues of the Utility Fund and from property taxes received by the Town.

Compensated Absences
Compensated absences represent the estimated liability for employees' accrued vacation leave for which employees are entitled to be paid upon termination. The retirement of this liability is typically paid from the General Fund or Proprietary Fund, based on the assignment of an employee at date of termination.

Changes in Governmental Long-term Debt

Description	Interest Rate Payable	Amounts Issue	Amounts Outstanding September 30 2014	Issued	Retired	Amounts Outstanding September 30 2015	Due Within One Year
2013 GO Refunding	2.50%	$ 4,295,000	$ 3,915,000	$ -	$ (400,000)	$ 3,515,000	$ 415,000
2014 Tax Note	1.62%	785,000	-	785,000	(50,000)	735,000	120,000
Total Bonds Payable		5,080,000	3,915,000	785,000	(450,000)	4,250,000	535,000
Net pension liability			571,197	-	(149,283)	421,914	-
Compensated absences			74,933	107,636	(107,636)	74,933	23,270
Totals		$ 5,080,000	$ 4,561,130	$ 892,636	$ (706,919)	$ 4,746,847	$ 558,270

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total Requirements
2016	$ 535,000	$ 97,835	$ 632,835
2017	570,000	87,241	657,241
2018	590,000	76,097	666,097
2019	300,000	66,788	366,788
2020	300,000	59,513	359,513
2021-2025	1,185,000	196,388	1,381,388
2026-2028	770,000	35,100	805,100
Totals	$ 4,250,000	$ 618,962	$ 4,868,962

H. LONG-TERM OBLIGATIONS

Changes in Governmental Long-term Debt (continued)

A brief discussion of each bond issuance follows:

$4,295,000 Series 2013 Refunding General Obligation Bonds issued in April 2013 to refund a portion of the Town's outstanding debt.

$785,000 2014 Tax Note issued in November 2014 for the purpose of purchasing land and a building for law enforcement facilities.

Changes in Business-type Long-term Debt

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding September 30 2014	Issued	Retired	Amounts Outstanding September 30 2015	Due Within One Year
2010 GO Refunding	3.00%	$ 1,090,000	$ 500,000	$ -	$ (160,000)	$ 340,000	$ 165,000
2011 CO	3.00%	3,035,000	2,725,000	-	(120,000)	2,605,000	120,000
2013 GO Refunding	2.50%	2,370,000	2,235,000	-	(135,000)	2,100,000	140,000
Total Bonds Payable		6,495,000	5,460,000	-	(415,000)	5,045,000	425,000
Infrastructure Repayment		192,062	168,048	-	(12,004)	156,044	12,004
Net pension liability			126,851	-	(21,765)	105,086	-
Compensated Absences			30,238	25,225	(35,209)	20,254	1,238
Totals		$ 6,687,062	$ 5,785,137	$ 25,225	$ (483,978)	$ 5,326,384	$ 438,242

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total Requirements
2016	$ 425,000	$ 163,950	$ 588,950
2017	440,000	152,375	592,375
2018	275,000	143,075	418,075
2019	280,000	134,800	414,800
2020	290,000	124,875	414,875
2021-2025	1,610,000	464,913	2,074,913
2026-2030	1,510,000	171,769	1,681,769
2031	215,000	4,569	219,569
Totals	$ 5,045,000	$ 1,360,326	$ 6,405,326

A brief discussion of each bond issuance follows:

$1,090,000 Series 2010 Refunding General Obligation Bonds issued in March 2010 to refund a portion of the Town's outstanding debt.

$3,035,000 Series 2011 Combination Tax and Revenue Certificates of Obligation bonds issued for constructing, acquiring, purchasing, renovating, enlarging, equipping and improving water system properties and facilities, including the acquisition of land and right-of-ways therefore, and professional services rendered in connection therewith.

$2,370,000 Series 2013 Refunding General Obligation Bonds issued in April 2013 to refund a portion of the Town's outstanding debt

H. LONG-TERM OBLIGATIONS

Changes in Business-type Long-term Debt (continued)

Note Payable

In fiscal year 2007, the Town executed an infrastructure repayment agreement with the Texas Department of Agriculture's Rural Economic Development Division. Under the terms of the agreement, the Town agreed to repay program income to the Texas Department of Agriculture an amount up to $192,100. The note is noninterest bearing. However, to reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed interest rate of 5.00%. Payments will be made in no more than two hundred and forty equal monthly installments beginning the first (1st) day of the third (3rd) month following the completion date or occupancy by the beneficiary, whichever comes first. The amount of funds to be repaid as of September 30, 2015 totals $156,042. The amount due within one year totals $12,004.

Future note payments are as follows:

Year Ending September 30:	Minimum Obligation
2016	12,004
2017	12,004
2018	12,004
2019	12,004
2020	12,004
2021-2025	60,019
2026-2028	36,004
Total minimum note payments	$ 156,042
Less: amount representing interest	(46,421)
Present value of note payments	$ 109,621

I. OPERATING LEASES

The Town leases copiers from Xerox, Kyocera, and Canon to provide equipment for the printing, copying, faxing, and scanning needs of the Town during daily operation. The total cost for the copier leases was $7,978 for the year ended September 30, 2015. The Town also leases a postage machine from Pitney Bowes. The total cost for the postage machine lease was $10,106 for the year ended September 30, 2015. The future minimum payments for these leases are as follows:

Year Ending September 30	Pitney	Xerox	Kyocera	Total
2016	3,800	2,352	1,266	7,418
2017	-	980	358	1,338
Total	$ 3,800	$ 3,332	$ 1,624	$ 8,756

J. PENSION PLAN

During FY2015, the Town implemented GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". This statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, "*Accounting for Pensions by State and Local Governmental Employers*", as well as the requirements of Statement No. 50, "*Pension Disclosures*". The benefit plan impacted by GASB Statement No. 68 pertain to TMRS.

J. PENSION PLAN (continued)

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TMRS and additions to/ deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. Plan Description

The Town provides pension benefits for all its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code ("TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report ("CAFR") that can be obtained at www.tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the Town Council, within the options available in the statue statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Member may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the Town were as follows:

	2015	2014
Employee Deposit Rate:	6%	6%
Matching Ratio (Town to Employee):	2-1	2-1
Years required for vesting	5 yrs	5 yrs
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

J. PENSION PLAN

2. Benefits Provided (continued)

Employees covered by benefit terms:
At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

	Plan Year	
	2013	2014
Inactive employees or beneficiaries currently receiving benefits	12	13
Inactive employees entitled to but not yet receiving benefits	18	19
Active employees	28	31
	58	63

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the Town Council. Under the state law governing TMRS, the contribution rate for each town is determined annually by the actuary, using the Entry Age Normal ("EAN") actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town were required to contribute 6.00% of their annual gross earnings during the fiscal year. Contribution rates for the Town were 13.42% and 12.94% in calendar years 2014 and 2015, respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2015 were $212,989.

4. Net Pension Liability

The Town's Net Pension Liability ("NPL") was measured as of December 31, 2014, and the Total Pension Liability ("TPL") used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:
The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.50% to 12.00%, including inflation
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the Town, rates are multiplied by a factor of 96%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disable Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuations were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 10, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investment is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

J. PENSION PLAN

4. Net Pension Liability (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows sued to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments. was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the net position liability to change in the discount rate

The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
$ 1,313,748	$ 578,275	$ (6,090)

J. PENSION PLAN

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the Town recognized pension expense of $118,149.

At September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	$ -	$ 222,069
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	36,399	-
Contributions subsequent to the measurement date of December 31, 2014	158,487	-
	$ 194,886	222,069

$158,487 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Net deferred outflows (inflows) of resources: December 31	
2015	$ (57,770)
2016	(57,770)
2017	(57,770)
2018	(12,360)
2019	-
Thereafter	-
	$ (185,670)

3. Group-term Life Insurance

The Town also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund ("SDBF"). The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit", or OPEB.

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The Town's contributions to the TMRS SDBF for the years ended 2015, 2014 and 2013 were $2,796, $2,011 and $2,751, respectively, which equaled the required contributions for each year.

K. HEALTH CARE COVERAGE

During the year ended September 30, 2015, employees of the Town were covered by a health insurance plan with Texas Municipal League Intergovernmental Employee Benefit Pool ("TMLIEBP"). The Town contributed $492 per month per employee. Of this monthly amount, $62.50 was credited to a Health Reimbursement Account ("HRA") for each employee. The monthly premium also included $10,000 life insurance and accidental death and dismemberment ("AD&D") protection for each employee. The Town paid 100% of monthly premiums for full-time employees. The Town did not pay for dependent coverage; however, it is available to employees at their option and was paid through payroll deductions.

L. INSURANCE COVERAGE

In accordance with state statute, the Town was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Municipal League, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding $125,000 and for aggregate loss. According to the latest actuarial opinion dated October 1, 2014, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated claims incurred, but not reported.

M. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The Town pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category has its own level of reinsurance. The Town continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

N. COMMITMENTS

The Town entered into an agreement with VCZ Development, LLC ("Developer") on May 26, 2011. The Town Agreed to advance the sum of $180,000 as a temporary construction and development loan to the Developer, with a maximum term of five years at an interest rate equal to the Mid Term Applicable Federal Rate in effect on the effective date of the Agreement. The loan will be repaid in equal annual installments of principal and accrued interest on the unpaid balance, with the first payment due one year from date of execution of the deed of trust. As of September 30, 2015 project is complete and no amount will be loaned under the agreement.

O. LITIGATION

The Town is a party to various legal proceedings arising in the ordinary course of its operations. Management believe that the Town has adequate legal defenses and/or insurance coverage respecting each of these actions. The Town was in a lawsuit filed against the Town in 2009 alleging that the Town had breached the terms of settlement of a previous case. The court awarded attorney's fees and costs to the plaintiff, which the Town paid.

P. ADDITIONAL WATER AND SEWER INFORMATION

The following information is included at the request of the Texas Water Development Board for the year under audit.
Water Accountability Report:

Gallons Purchased	595,071,000
Gallons Billed	478,107,600

The Town secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59, created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation, and eminent domain power and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the Town. The District is governed by a 17-member board ("Board"). The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contract with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of these factors, the District is not included in the Town's basic financial statements.

The Town purchases its water from the North Texas Municipal Water District ("NTMWD"). Each year, NTMWD calculates the cost of water based upon the previous year's usage. The Town currently pays $2.11 per thousand gallons for water with the total cost for this current fiscal year being $1,206,269.

Q. TRANSFERS

Transfers between funds during the fiscal year were as follows:

Funds	Transfers Out	Transfers In	Total
General Fund	$ (44,445)	$ 774,715	$ 730,270
Other Governmental Funds	(873,255)	44,709	(828,546)
Water and Sewer Funds	(530,224)	628,500	98,276
Total Major Funds	$ (1,447,924)	$ 1,447,924	$ -

Transfers are used to 1) transfer debt service payments and 2) fund general administrative operations.

R. RELATED PARTY TRANSACTIONS

The Town's Finance Director is married to the owner of Digital Security Systems, a company which services the security system of the Town.

The Town entered into a promissory note agreement with the Town Manager in the amount of $50,000 to be used for the purchase of, or down payment on, a residence within Sunnyvale's town limits. This note is secured with a lien by a deed of trust against the Town Manager's residence. Credit will be applied against the promissory note each year and this amount will be a part of the Town Manager's taxable earnings. This note will be paid in full within five years. In the current fiscal year, credit of $9,397 was applied to the note and reported as taxable wages on the Town Manager's earnings.

S. PRIOR PERIOD ADJUSTMENTS

Governmental Activities:

1,881,090	To record prior year additions to fixed assets
(509,301)	To record beginning balance of Net Pension Liability-GASB 68
1,371,789	

Business-type Activities:

2,348,047	To record prior year additions to fixed assets
(126,851)	To record beginning balance of Net Pension Liability-GASB 68
2,221,196	

T. SUBSEQUENT EVENTS

The Town has evaluated all events or transactions that occurred after September 30, 2015 up through March 4, 2016, the date the financial statements were available to be issued. During this period, management noted the following subsequent events requiring disclosure:

The Town entered into a lease purchase agreement with BOK Financial to purchase an ambulance and fire engine. This capital lease agreement was executed in December 2015 in the amount of $591,554 and is budgeted as part of the vehicle replacement program.

U. SUNNYVALE 4A DEVELOPMENT CORPORATION

The 4A Economic Development Corporation ("4A") is financed with a voter approved one half of one percent sales tax to aid, promote and further the economic development within the Town. Under a contract between 4A and the Town, the Town provides financial services for 4A.

The citizens of the Town approved the decrease of 1/4 of one percent be allocated to the General Fund for maintenance and repairs of streets beginning in June 2015.

1. Stewardship, Compliance and Contractual Provisions

   a. Finance-related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

Violation	Action Taken
4A expenditures exceeded budget	The over-budget of expenditures is covered by sufficient assigned fund balance for the final payment of the Ring Road project.

   b. Deficit Fund Balance of Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at fiscal year-end, if any along with remarks which address such deficits:

Violation	Action Taken
N/A	N/A

U. SUNNYVALE 4A DEVELOPMENT CORPORATION (continued)

2. Deposits and Investments

Cash Deposits
At September 30, 2015, the carrying amount of 4A's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $2,052,170 and the bank balance was $2,072,731. 4A's cash deposits at September 30, 2015 and during the year ended September 30, 2015 were entirely covered by FDIC and pledged and pledged collateral held by 4A's agent bank in 4A's name.

Cash and investments as of September 30, 2015 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:

4A Development Corporation	
Cash and Cash Equivalents	$ 2,052,170

Investments
The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the 4A adhered to the requirements of the Act.

3. Receivables

Accounts receivable at the end of the fiscal year is due from the Town in the amount of $55,267 for collection of sales tax revenues. No allowance for uncollectible is calculated since there is minimal chance that the entire amount will not be collected.

4. Commitments

The 4A Development Corporation entered into an agreement with RKS Sunnyvale II Inc. ("Developer") on April 30, 2012. 4A agreed to reimburse the Developer an amount not to exceed the lesser of the following: (1) $1,500,000, (2) the total cost spent for the construction of infrastructure improvements, or (3) fifty percent of the total cost spent for the construction of qualified expenditures for infrastructure improvements. The agreement will be effective until all obligations of the Developer and 4A have been performed in full, or until June 30, 2023, whichever is later; provided however, that if the obligations of the Developer have not been completed as of June 30, 2023, the terms of the agreement shall automatically be extended until June 30, 2027. $326,139 was reimbursed during fiscal year 2015 and as of September 30, 2015, all payments to the Developer are complete.

U. SUNNYVALE 4A DEVELOPMENT CORPORATION (continued)

5. Capital Assets

Capital asset activity for the period ended September 30, 2015 was as follows:

	Beginning Balances	Transfers	Additions	Decreases	Ending Balances
4A Component Unit					
Capital assets, being depreciated:					
Machinery & Equipment	$ 8,578	$ -	$ -	$ -	$ 8,578
Total capital assets being depreciated	8,578	-	-	-	8,578
Less accumulated depreciation for:					
Machinery & Equipment	(3,288)	-	(1,715)	-	(5,003)
Total accumulated depreciation	(3,288)	-	(1,715)	-	(5,003)
Total capital assets, being depreciated, net	5,290	-	(1,715)	-	3,575
4Al component unit capital assets, net	$ 5,290	$ -	$ (1,715)	$ -	$ 3,575

Depreciation expense was charged to functions/programs of the component unit as follows:

4A Community Service	$ 1,715

6. Long-term Obligations

The Sunnyvale 4A Development Corporation agreed to pay a portion of the Town's 2013 Refunding Bond by remitting to the Town from the receipts of local sales and use taxes received by 4A to pay a portion of the principal and interest on the bonds. 4A remitted $44,674 to the Town during fiscal year 2015. The outstanding amount owed to the Town as of September 30, 2015 totaled $531,474. Note payable requirements are as follows:

	Beginning Balance	Issued	Decrease	Ending Balance	Due Within One Year
Governmental Activities					
Note payable - Town	$ 576,158	$ -	$ (44,673)	$ 531,485	$ 45,909
Total note payable	576,158	-	(44,673)	531,485	45,909
Net pension liability	-	16,715	-	16,715	-
Compensated absence	719	3,058	(3,058)	719	-
Total	$ 576,877	$ 19,773	$ (47,731)	$ 548,919	$ 45,909

Debt service requirements are as follows:

Year ending Sept 30	Payment
2016	45,909
2017	49,927
2018	52,910
2019	34,998
2020	35,164
2021-2025	189,390
2026-2028	123,187
	$ 531,485

U. SUNNYVALE 4A DEVELOPMENT CORPORATION

6. Long-term Obligations (continued)

Compensated absences represent the estimated liability for employees' accrued paid time off for which employees are entitled to be paid upon termination. Also, 4A employees were provided the same pension benefits through TMRS as the Town employees. See Note J for detailed disclosures of the pension plan and net pension liability.

7. Prior Period Adjustments

A prior period adjustment was made for 4A. Below is the detail of the transaction:

Governmental activities:

$ (20,178)	To record beginning balance of Net Pension Liability-GASB 68

8. Subsequent Events

4A has evaluated all events and transactions that occurred after September 30, 2015 up through March 4, 2016, the date the financial statements were available to be issued. During this time, management noted one item that requires disclosure: the acquisition of 13.92 acres in December 2015 to be used for economic development. The cost to purchase this property will be shared 50/50 by 4A and 4B.

V. SUNNYVALE 4B DEVELOPMENT CORPORATION

The 4B Development Corporation ("4B") is financed with a voter approved one half of one percent sales tax to promote and retain business development within the Town through enhancements and expansions of the local economy. Under a contract between 4B and the Town, the Town provides financial services for 4B.

1. Stewardship, Compliance and Contractual Provisions

a. Finance-related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

Violation	Action Taken
N/A	N/A

b. Deficit Fund Balance of Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at fiscal year-end, if any along with remarks which address such deficits:

Violation	Action Taken
N/A	N/A

V. SUNNYVALE 4B DEVELOPMENT CORPORATION

2. Deposits and Investments

Cash Deposits

At September 30, 2015, the carrying amount of the 4B Development Corporation's ("4B") deposits (cash, certificates of deposit and interest-bearing savings accounts included in temporary investments) was $1,703,945 and the bank balance was $1,704,507. 4B's cash deposits at September 30, 2015 and during the year ended September 30, 2015 were entirely covered by FDIC and pledged collateral held by 4B's agent bank in 4B's name.

Cash and investments as of September 30, 2015 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:	
4B Development Corporation	
Cash and cash equivalents	$ 1,552,614
Restricted cash and cash equivalents	151,331
	$ 1,703,945

In November 2014, the citizens of the Town approved one half of one percent additional sales tax to the 4B for economic development. This additional sales tax monies was collected during the fiscal year but no monies were spent.

Investments

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the 4B adhered to the requirements of the Act.

3. Receivables

Accounts receivable at the end of the fiscal year is due from the Town in the amount of $110,408 for collection of sales tax revenues. No allowance for uncollectible is calculated since there is minimal chance that the entire amount will not be collected.

4. Compensated Absences

Compensated absences represent the estimated liability for employees' accrued paid time off for which employees are entitled to be paid upon termination. The detail of 4B's liability for compensated absences as of September 30, 2015 is as follows:

	Amounts Outstanding September 30 2014	Issued	Retired	Amounts Outstanding September 30 2015	Due Within One Year
Compensated absences	$ 3,803	$ 7,181	$ (7,181)	$ 3,803	$ -

V. SUNNYVALE 4B DEVELOPMENT CORPORATION (continued)

5. Net Pension Liability

4B employees were provided the same pension benefits through the TMRS as the Town employees. See Note J for detailed disclosures of the pension plan and net pension liability.

	Amounts Outstanding September 30 2014	Increase/ (Decrease)	Amounts Outstanding September 30 2015
Net pension liability	$ -	$ 34,560	$ 34,560

6. Prior Period Adjustments

A prior period adjustment was made for 4B. Below is the detail of the transaction:

Governmental activities:

$ (41,718)	To record beginning balance of Net Pension Liability-GASB 68

7. Subsequent Events

4B has evaluated all events and transactions that occurred after September 30, 2015 up through March 4, 2016, the date the financial statements were available to be issued. During this time, management noted one item that requires disclosure: the acquisition of 13.92 acres in December 2015 to be used for economic development. The cost to purchase this property will be shared 50/50 by 4A and 4B.

TOWN OF
SUNNYVALE

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SCHEDULE OF PENSION TRUST - TMRS FUNDING PROGRESS
LAST TWO FISCAL YEARS (UNAUDITED)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	(Over-funded) Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL as Percent of Covered Payroll
2014	12/31/2013	$ 3,359,346	$ 4,390,105	$ 1,030,759	76.52%	$ 1,340,708	76.88%
2015	12/31/2014	3,632,035	4,360,846	728,811	83.29%	1,406,983	51.80%

SCHEDULE OF CONTRIBUTIONS
LAST TWO FISCAL YEARS (UNAUDITED)

	12/31/2013	12/31/2014
Actuarially determined contribution	$ 173,488	188,817
Contributions in relation to the actuarially determined contribution	$ 173,488	188,817
Contributions deficiency (excess)	$ -	$ -
Covered employee payroll	$ 1,340,708	1,406,983
Contributions as a percentage of covered employee payroll	13.42%	12.94%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes — Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10-year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes — There were no benefit changes during the year.

Note: Years will continue to be added until there are 10 years for comparison

TOWN OF SUNNYVALE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS-TMRS

	12/31/2014
Total pension liability	
Service cost	$ 201,393
Interest (on the Total Pension Liability)	305,697
Changes of benefit terms	-
Difference between expected and actual experience	(288,939)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(247,410)
Net Change in Total Pension Liability	(29,259)
Total Pension Liability - Beginning	4,390,105
Total Pension Liability - Ending	$ 4,360,846
Plan Fiduciary Net Position	
Contribution - employer	$ 186,424
Contribution - employee	84,419
Net investment income	203,553
Benefit payments, including refunds of employee contributions	(247,410)
Administrative expense	(2,125)
Other	(175)
Net Change in Plan Fiduciary Net Position	224,686
Plan Fiduciary Net Position - Beginning	3,557,885
Plan Fiduciary Net Position - Ending	$ 3,782,571
Net Pension Liability - Ending	$ 578,275
Plan Fiduciary Net Position as a percentage of Total Pension Liability	86.74%
Covered employee payroll	$ 1,406,983
Net Pension Liability as a percentage of covered employee payroll	41.10%

Note: Years will be added until there are 10 years of comparison

SUPPLEMENTARY INFORMATION

TOWN OF SUNNYVALE, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Roadway Impact	Homestead Amenities	Special Revenue
ASSETS			
Cash and Investments:			
Unrestricted	$ -	$ -	$ -
Restricted	836,710	66,669	-
Receivables (net of allowances for uncollectible)	-	1,587	152,291
Total Assets	836,710	68,256	152,291
LIABILITIES			
Accounts Payable	-	-	-
Total Liabilities	-	-	-
FUND BALANCES			
Restricted:			
Community services	-	-	-
Municipal court	-	-	152,291
Impact Fees	836,710	68,256	-
Assigned:			
Capital improvements	-	-	-
Unassigned	-	-	-
Total Fund Balances	836,710	68,256	152,291
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 836,710	$ 68,256	$ 152,291

PEG Capital	Tax Increment	Capital Projects	Total Other Governmental Funds
$ -	$ 2,000	$ -	$ 2,000
38,740	-	872,234	1,814,353
1,785	-	23,702	179,365
40,525	2,000	895,936	1,995,718
-	5,200	-	5,200
-	5,200	-	5,200
40,525	-	-	40,525
-	-	-	152,291
-	-	-	904,966
-	-	895,936	895,936
-	(3,200)	-	(3,200)
40,525	(3,200)	895,936	1,990,518
$ 40,525	$ 2,000	$ 895,936	$ 1,995,718

TOWN OF SUNNYVALE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Roadway Impact	Homestead Amenities	Special Revenue	PEG Capital
REVENUE				
Miscellaneous	$ -	$ -	$ -	$ 11,694
Fines and forfeitures	-	-	21,773	-
Impact fees	99,696	1,587	-	-
Investment income	226	32	-	-
Total Revenues	99,922	1,619	21,773	11,694
EXPENDITURES				
Current:				
Public services and operations	8,187	-	19,828	-
Total Expenditures	8,187	-	19,828	-
Excess (deficiency) of revenues over (under) expenditures	91,735	1,619	1,945	11,694
Other Revenues and Financing Sources (uses)				
Transfers In(Out)	-	(38,375)	-	-
Total Other Financing Sources (uses)	-	(38,375)	-	-
Net Change in Fund Balances	91,735	(36,756)	1,945	11,694
Fund Balances/Equity, beginning of year	744,975	105,012	150,346	28,831
Fund Balances/Equity, end of year	$ 836,710	$ 68,256	$ 152,291	$ 40,525

Tax Increment	Capital Projects	Total Other Governmental Funds
$ -	$ 23,701	$ 35,395
-	-	21,773
-	-	101,283
-	550	808
-	24,251	159,259
-	-	28,015
-	-	28,015
-	24,251	131,244
-	-	(38,375)
-	-	(38,375)
-	24,251	92,869
(3,200)	871,685	1,897,649
$ (3,200)	$ 895,936	$ 1,990,518

TOWN OF SUNNYVALE, TEXAS
COMBINING BALANCE SHEET - COMPONENT UNITS
SEPTEMBER 30, 2015

	Sunnyvale 4A Development Corporation	Sunnyvale 4B Development Corporation	Total Component Units
ASSETS			
Cash and cash equivalents	$ 2,052,170	$ 1,552,614	$ 3,604,784
Receivables (net of allowances for uncollectible)	55,267	110,408	165,675
Restricted - cash and cash equivalents	-	151,331	151,331
Total Assets	2,107,437	1,814,353	3,921,790
LIABILITIES			
Accounts payable	216	203	419
Total Liabilities	216	203	419
FUND BALANCE			
Restricted for:			
Economic development	-	151,331	151,331
Assigned for			
Infrastructure improvements	1,088,700	-	1,088,700
Unassigned	1,018,521	1,662,819	2,681,340
Total Fund Balance	2,107,221	1,814,150	3,921,371
Total Liabilities and Fund Balance	$ 2,107,437	$ 1,814,353	$ 3,921,790

TOWN OF SUNNYVALE, TEXAS
RECONCILIATION OF THE COMBINING BALANCE SHEET - COMPONENT UNITS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balance - component units	$ 3,921,371
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,578
Accumulated depreciation is not included in the governmental fund financial statements	(5,003)
Notes payable are not due and payable in the current period and; therefore, are not reported in the funds.	(531,485)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the fund financial statements.	(51,275)
Deferred inflow/outflow represent an acquisition of net position that applied to future periods. The amount is unavaliable and deferred at the fund level but recognized in the governmental activities.	(2,211)
Compensated absences recorded as governmental liabilities in prior years were transferred to component unit in the current year. Compensated absences are not due and payable in the current period and; therefore, are not reported in the funds	(4,522)
Net position of component units - statement of net position	$ 3,335,453

TOWN OF SUNNYVALE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - COMPONENT UNITS
FOR THE YEAR ENDED SEPTEBMER 30, 2015

	Sunnyvale 4A Development Corporation	Sunnyvale 4B Development Corporation	Total Component Units
REVENUE			
Sales tax collected	$ 461,423	$ 612,755	$ 1,074,178
Total Revenues	461,423	612,755	1,074,178
EXPENDITURES			
Current operating:			
Personnel services	72,138	133,807	205,945
Supplies and materials	2,118	7,180	9,298
Contractual services	408,617	50,894	459,511
Intergovernmental	12,000	139,562	151,562
Debt Service:			
Principal retirement	44,674	-	44,674
Total Expenditures	539,547	331,443	870,990
Excess (deficiency) of revenues over (under) expenditures	(78,124)	281,312	203,188
Other Revenues and Financing Sources (uses)			
Investment income	723	258	981
Total Other Financing Sources (uses)	723	258	981
Net Change in Fund Balances	(77,401)	281,570	204,169
Fund Balances/Equity, October 1	2,184,622	1,532,580	3,717,202
Fund Balances/Equity, September 30	$ 2,107,221	$ 1,814,150	$ 3,921,371

TOWN OF SUNNYVALE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF COMPONENT UNITS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - component units	$	204,169
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources.		(1,715)
Current year long-term debt payments are expenditures in the fund financial statements but are shown as a reduction in long-term debt in the government-wide financial statements.		44,674
Expenses in the statement of revenues, expenditures and changes in fund balances that are not recognized as expenses in the statement of activities.		8,409
Change in net position of component units - statement of activities	$	255,537

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - 4A DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Sales tax collected	$ 570,000	$ 446,759	$ 461,423	$ 14,664
Total Revenues	570,000	446,759	461,423	14,664
EXPENDITURES				
Current operating:				
Personnel services	87,943	87,943	72,138	15,805
Supplies and materials	9,250	9,250	2,118	7,132
Contractual services	7,500	7,500	408,617	(401,117)
Intergovernmental	12,000	12,000	12,000	-
Debt Service:				
Principal retirement	44,674	44,674	44,674	-
Total Expenditures	161,367	161,367	539,547	(378,180)
Excess (deficiency) of revenues over(under) expenditures	408,633	285,392	(78,124)	(363,516)
Other Revenues and Financing Sources (uses)				
Interest Income	750	750	723	(27)
Total Other Financing Sources (uses)	750	750	723	(27)
Net Change in Fund Balances	409,383	286,142	(77,401)	(363,543)
Fund Balances/Equity, beginning of year	2,184,622	2,184,622	2,184,622	
Fund Balances/Equity, end of year	$ 2,594,005	$ 2,470,764	$2,107,221	

TOWN OF SUNNYVALE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - 4B DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Sales tax collected	$ 570,000	$ 570,000	$ 612,755	$ 42,755
Total Revenues	570,000	570,000	612,755	42,755
EXPENDITURES				
Current operating:				
Personnel services	140,112	140,112	133,807	6,305
Supplies and materials	10,300	15,000	7,180	7,820
Contractual services	60,000	205,000	50,894	154,106
Maintenance and repairs	150,000	50,000	-	50,000
Intergovernmental	80,000	80,000	139,562	(59,562)
Capital outlay	1,010,000	527,545	-	527,545
Total Expenditures	1,450,412	1,017,657	331,443	686,214
Excess (deficiency) of revenues over(under) expenditures	(880,412)	(447,657)	281,312	728,969
Other Revenues and Financing Sources (uses)				
Interest Income	600	600	258	(342)
Total Other Financing Sources (uses)	600	600	258	(342)
Net Change in Fund Balances	(879,812)	(447,057)	281,570	728,627
Fund Balances/Equity, beginning of year	1,532,580	1,532,580	1,532,580	
Fund Balances/Equity, end of year	$ 652,768	$1,085,523	$ 1,814,150	

TOWN OF
SUNNYVALE

STATISTICAL SECTION (UNAUDITED)

TOWN OF
SUNNYVALE

STATISTICAL SECTION
(unaudited)

This part of the Town of Sunnyvale's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Town's overall financial health.

Contents	Table #s
Financial Trends These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	1,2,3,4,5
Revenue Capacity These tables contain information to help the reader assess the Town's two most significant local revenue sources, property and sales taxes.	6,7,8,9
Debt Capacity These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	10,11,12,13,14
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.	15,16
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	17,18,19

Source: Unless otherwise noted, the information in these tables is derived from the Annual Financial Reports for the relevant year.

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TX
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	FISCAL YEAR				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	$ 6,027,546	$ 5,505,808	$ 1,385,649	$ 3,372,667	$ 3,748,238
Restricted	2,783,223	3,492,062	3,590,976	3,732,321	3,562,718
Unrestricted	842,963	915,181	3,969,294	1,941,907	2,283,507
Total governmental activities net position	9,653,732	9,913,051	8,945,919	9,046,895	9,594,463
Business-type activities					
Net investment in capital assets	6,914,898	7,358,097	4,106,496	7,903,466	8,101,933
Restricted	12,915	50,700	1,230,666	1,271,531	1,271,531
Unrestricted	112,070	(453,395)	2,419,529	(68,355)	168,312
Total business-type activities net position	7,039,883	6,955,402	7,756,691	9,106,642	9,541,776
Primary government					
Net investment in capital assets	12,942,444	12,863,905	5,492,145	11,276,133	11,850,171
Restricted	2,796,138	3,542,762	4,821,642	5,003,852	4,834,249
Unrestricted	955,033	461,786	6,388,823	1,873,552	2,451,819
Total primary government net position	$ 16,693,615	$ 16,868,453	$ 16,702,610	$ 18,153,537	$ 19,136,239

	FISCAL YEAR				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	$ 4,496,865	$ 4,805,132	$ 4,956,375	$ 5,533,170	$ 9,192,257
Restricted	4,255,040	1,546,831	1,851,519	1,237,407	1,480,724
Unrestricted	2,550,808	2,645,673	2,332,178	5,072,122	5,063,645
Total governmental activities net position	11,302,713	8,997,636	9,140,072	11,842,699	15,736,626
Business-type activities					
Net investment in capital assets	7,741,287	12,482,792	8,412,549	8,638,647	14,404,813
Restricted	1,065,607	1,072,987	1,098,608	1,793,193	1,744,554
Unrestricted	1,035,517	(3,287,776)	1,359,897	1,090,014	520,468
Total business-type activities net position	9,842,411	10,268,003	10,871,054	11,521,854	16,669,835
Primary government					
Net investment in capital assets	12,238,152	17,287,924	13,368,924	14,171,817	23,597,070
Restricted	5,320,647	2,619,818	2,950,127	3,030,600	3,225,278
Unrestricted	3,586,325	(642,103)	3,692,075	6,162,136	5,584,113
Total primary government net position	$ 21,145,124	$ 19,265,639	$ 20,011,126	$ 23,364,553	$ 32,406,461

TOWN OF SUNNYVALE, TX
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	FISCAL YEAR				
	2006	2007	2008	2009	2010
EXPENSES					
Governmental activities:					
General government	$ 1,820,857	$ 1,781,429	$ 1,683,622	$ 1,305,921	$ 1,436,272
Public Safety	1,484,187	1,590,382	1,514,610	1,883,403	1,920,850
Public Services and Operations	986,947	1,447,173	1,498,939	1,460,763	1,348,711
Public Works	-	-	-	-	-
Parks and Recreation	33,595	39,703	86,901	594,466	935,833
Library	-	-	-	-	-
Interest on long-term debt	83,077	79,365	75,446	230,136	225,028
Total governmental activities expenses	4,408,663	4,938,052	4,859,518	5,474,689	5,866,694
Business-type activities:					
Utilities	2,110,144	1,977,875	2307454	2,467,260	2,562,480
Total business-type activities expenses	2,110,144	1,977,875	2,307,454	2,467,260	2,562,480
Total primary government expenses	6,518,807	6,915,927	7,166,972	7,941,949	8,429,174
PROGRAM REVENUES					
Governmental activities:					
Charge for services:					
General government	9,963	7,472	12,454	141,938	126,133
Public Safety	354,062	290,462	334,643	475,524	522,244
Public Services and Operations	1,426	1,666	2,751	53,844	28,310
Public Works	252,638	327,531	213,491	-	-
Parks and Cultural	-	-	-	-	-
Operating grants and contributions	-	174,935	-	294,444	194,441
Capital grants and contributions	-	-	-	-	416,512
Total governmental activities program revenues	618,089	802,066	563,339	965,750	1,287,640
Business-type activities:					
Charge for services:					
Utilities	1,944,904	1,806,709	2,701,658	2,659,023	3,010,925
Capital grants and contributions	-	-	-	220,554	-
Total business-type activities program revenues	1,944,904	1,806,709	2,701,658	2,879,577	3,010,925
Total primary government program revenues	2,562,993	2,608,775	3,264,997	3,845,327	4,298,565
NET (EXPENSE)/REVENUE					
Governmental activities	(3,790,574)	(4,135,986)	(4,296,179)	(4,508,939)	(4,579,054)
Business-type activities	(165,240)	(171,166)	394,204	412,317	448,445
Total primary government program net expenses	$ (3,955,814)	$ (4,307,152)	$ (3,901,975)	$ (4,096,622)	$ (4,130,609)

Table 2

FISCAL YEAR				
2011	**2012**	**2013**	**2014**	**2015**
$ 1,594,165	$ 1,626,724	$ 1,458,993	$ 1,043,470	$ 1,052,425
1,967,396	1,954,257	1,900,606	1,906,497	2,367,607
1,399,123	1,048,309	1,979,301	821,386	816,091
-	-	-	394,480	595,851
460,552	510,051	305,228	428,745	509,635
-	-	-	142,695	142,545
213,247	203,199	228,506	88,808	103,540
5,634,483	5,342,540	5,872,634	4,826,081	5,587,694
2,873,770	2,979,588	2,946,655	3,374,140	3,663,328
2,873,770	2,979,588	2,946,655	3,374,140	3,663,328
8,508,253	8,322,128	8,819,289	8,200,221	9,251,022
132,788	247,301	109,181	418,776	105,332
556,500	580,392	448,154	778,203	109,281
39,689	61,626	25,581	-	296,036
-	-	-	-	101,283
-	-	-	3,135	4,197
208,401	14,678	202,144	507,878	118,384
264,336	45,733	230,901	-	1,524,366
1,201,714	949,730	1,015,961	1,707,992	2,258,879
3,402,567	3,310,713	3,330,492	3,825,951	4,249,639
-	-	15,000	-	2,239,086
3,402,567	3,310,713	3,345,492	3,825,951	6,488,725
4,604,281	4,260,443	4,361,453	5,533,943	8,747,604
(4,432,769)	(4,392,810)	(4,856,673)	(3,118,089)	(3,328,815)
528,797	331,125	398,837	451,811	2,825,397
$ (3,903,972)	$ (4,061,685)	$ (4,457,836)	$ (2,666,278)	$ (503,418)

(continued)

TOWN OF SUNNYVALE, TX
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR				
	2006	2007	2008	2009	2010
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Taxes:					
Property tax	$ 1,805,054	$ 2,051,295	$ 2,204,117	$ 2,470,096	$ 2,885,750
Sales tax	1,664,981	1,646,523	2,035,788	1,749,084	1,330,813
Franchise tax	748,818	729,630	870,728	987,491	814,312
Alcoholic Beverage Tax	5,999	2,772	5,692	6,085	1,437
Investment Income	86,860	69,842	144,507	64,556	19,882
Miscellaneous	79,451	192,374	262,046	39,239	49,428
Transfers	(264,396)	(74,801)	-	(706,636)	25,000
Total governmental activities	4,126,767	4,617,635	5,522,878	4,609,915	5,126,622
Business-type activities:					
Investment Income	20,686	11,884	47,229	23,314	11,689
Transfers	264,396	74,801	-	706,636	(25,000)
Total business-type activities	285,082	86,685	47,229	729,950	(13,311)
Total primary government	4,411,849	4,704,320	5,570,107	5,339,865	5,113,311
CHANGE IN NET POSITION					
Governmental activities	336,193	481,649	1,226,699	100,976	547,568
Business-type activities	119,842	(84,481)	441,433	1,142,267	435,134
Total primary government	$ 456,035	$ 397,168	$ 1,668,132	$ 1,243,243	$ 982,702

Table 2
(continued)

FISCAL YEAR				
2011	**2012**	**2013**	**2014**	**2015**
$ 2,906,223	$ 3,017,460	$ 3,061,437	$ 3,309,754	$ 3,314,131
1,665,837	2,007,188	1,172,287	1,130,663	1,376,840
914,799	903,025	940,189	986,539	1,205,928
-	-	-	-	-
17,623	11,262	3,167	1,343	1,085
349,539	12,583	20,229	12,870	51,245
286,923	(214,788)	(198,200)	(196,611)	(98,276)
6,140,944	5,736,730	4,999,109	5,244,558	5,850,953
18,123	4,923	6,014	2,381	3,112
(286,923)	214,788	198,200	196,611	98,276
(268,800)	219,711	204,214	198,992	101,388
5,872,144	5,956,441	5,203,323	5,443,550	5,952,341
1,708,175	1,343,920	142,436	2,126,469	2,522,138
259,997	550,836	603,051	650,803	2,926,785
$ 1,968,172	$ 1,894,756	$ 745,487	$ 2,777,272	$ 5,448,923

TOWN OF SUNNYVALE, TX **Table 3**

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2006	$ 1,805,054	$ 894,629	$ 748,818	$ 5,999	$ 3,454,500
2007	2,051,295	823,262	729,630	2,772	3,606,959
2008	2,204,117	1,017,894	870,728	5,692	4,098,431
2009	2,470,096	874,542	987,491	6,085	4,338,214
2010	2,885,750	665,407	814,312	1,437	4,366,906
2011	2,906,223	832,915	914,799	-	4,653,937
2012	3,017,460	1,003,594	903,025	-	4,924,079
2013	3,061,437	1,172,287	940,189	-	5,173,913
2014	3,309,754	1,130,663	986,539	-	5,426,956
2015	3,314,131	1,376,840	1,205,928	-	5,896,899

TOWN OF SUNNYVALE, TX **Table 4**
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	FISCAL YEAR				
	2006	2007	2008	2009	2010
General Fund					
Restricted	$ -	$ -	$ -	$ -	$ 25,000
Unassigned	1,039,933	802,641	717,774	1,273,986	1,592,652
Total General Fund	1,039,933	802,641	717,774	1,273,986	1,617,652
All other governmental funds					
Restricted for:					
Debt service	67,157	92,378	1,424,804	69,013	78,509
Assigned for:					
Capital improvements	3,064,563	3,552,147	4,089,041	5,314,049	5,106,889
Total all other governmental funds	$ 3,131,720	$ 3,644,525	$ 5,513,845	$ 5,383,062	$ 5,185,398

	FISCAL YEAR				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ 40,603
Restricted	25,000	25,000	25,000	-	151,331
Assigned	298,759	171,824	163,548	389,608	735,335
Unassigned	1,748,156	2,521,642	3,064,242	4,095,036	4,247,916
Total General Fund	2,071,915	2,718,466	3,252,790	4,484,644	5,175,185
All other governmental funds					
Restricted for:					
General Use	-	8,456	-	-	-
Court use	34,192	41,689	109,568	150,346	112,448
Capital improvements	1,474,783	1,524,500	1,540,879	-	-
Debt Service	72,645	90,463	158,605	208,243	231,611
Community development	-	2,508,190	17,467	28,831	80,368
Impact fees	-	-	-	849,987	904,966
Assigned for:					
Police	4,061	67,494	-	-	-
Capital improvements	4,011,877	1,787,461	-	871,685	895,936
Community services	-	36,560	36,560	-	-
Unassigned	-	-	(4,027)	(3,200)	(3,200)
Total all other governmental funds	$ 5,597,558	$ 6,064,813	$ 1,859,052	$ 2,105,892	$ 2,222,129

TOWN OF SUNNYVALE, TX

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(unaudited)

	FISCAL YEAR				
	2006	2007	2008	2009	2010
REVENUES					
Taxes:					
Property taxes	$ 1,824,028	$ 2,029,569	$ 2,209,435	$ 2,422,829	$ 2,864,377
Sales tax	1,664,980	1,646,524	2,035,788	1,749,084	1,330,813
Franchise Fees	754,818	732,401	876,420	987,491	814,312
Alcoholic Beverage Tax	-	-	-	6,085	1,437
Licenses and Permits	292,269	368,831	271,166	129,484	116,133
Fines and Forfeitures	318,122	250,774	292,173	426,629	462,136
Charge for Current Services	-	-	-	115,193	98,419
Impact Fees	-	-	-	-	-
Grants	-	174,935	-	-	-
Donations	-	-	-	2,200	33,900
Investment Income	86,860	69,842	144,507	64,556	19,882
Intergovernmental	-	-	-	292,244	519,693
Miscellaneous	87,469	199,900	262,046	59,335	49,428
Total Revenues	5,028,546	5,472,776	6,091,535	6,255,130	6,310,530
EXPENDITURES					
General government	1,717,029	1,749,703	1,426,021	1,075,036	1,577,806
Public Safety	1,424,039	1,517,959	1,514,610	1,862,683	1,871,816
Public Works	-	-	-	-	-
Parks and Recreational	-	-	-	-	-
Public Services and Operations**	894,529	1,402,931	1,498,939	1,949,887	2,241,941
Library	-	-	-	-	-
Capital Outlay	147,025	121,569	3,647,066	-	-
Debt Service					
Principal Retirement	130,000	140,000	145,000	200,000	275,764
Interest and other charges	83,077	79,365	75,446	224,823	222,201
Bond issuance costs	-	-	-	-	-
Total Expenditures	4,395,699	5,011,527	8,307,082	5,312,429	6,189,528
Excess (deficiency) of revenues over (under) expenditures	632,847	461,249	(2,215,547)	942,701	121,002
OTHER FINANCING SOURCES (USES):					
Transfers	(80,041)	-	(550,585)	(52,893)	173,320
Gain on sale of assets	-	-	-	-	-
Issuance of Tax Note	-	-	-	-	-
Issuance of Certificates of Obligation	-	-	4,000,000	-	-
Total other financing sources (uses)	(80,041)	-	3,449,415	(52,893)	173,320
NET CHANGE IN FUND BALANCES	$ 552,806	$ 461,249	$ 1,233,868	$ 889,808	$ 294,322
Debt service as a percentage of noncapital expenditures	5.02%	4.49%	4.73%	8.00%	8.05%

* Refunding bond in fiscal year 2013.

** Public Services and Operations includes Community Development, Library, and Parks and Streets for years 2005-2013.

FISCAL YEAR				
2011	2012	2013	2014	2015
$ 2,814,655	$ 3,078,063	$ 3,153,354	$ 3,269,744	$ 3,400,741
1,665,838	2,007,188	1,172,287	1,130,663	1,376,840
914,799	903,025	940,189	986,539	1,205,928
-	-	-	-	-
132,788	247,301	109,181	334,239	163,582
508,964	531,767	397,035	616,098	299,291
87,225	110,251	76,700	32,713	44,415
-	-	-	217,064	101,283
-	-	-	10,383	-
6,600	10,890	181,130	-	687
17,623	11,262	3,167	1,343	1,085
466,474	67,234	36,774	492,973	195,389
353,518	12,583	20,229	12,870	51,245
6,968,484	6,979,564	6,090,046	7,104,629	6,840,486
1,749,208	1,554,890	1,365,401	949,165	930,884
1,991,589	1,918,488	1,922,274	1,821,954	2,259,340
-	-	-	311,230	444,662
-	-	-	358,761	438,869
1,876,671	1,681,729	2,161,178	821,385	836,325
-	-	-	142,695	146,395
-	-	-	541,695	1,095,256
265,000	295,000	4,805,000 *	380,000	450,000
210,757	200,863	173,120	102,439	103,540
-	-	73,452	-	23,041
6,093,225	5,650,970	10,500,425	5,429,324	6,728,312
875,259	1,328,594	(4,410,379)	1,675,305	112,174
121,188	149,520	25,000	(196,611)	(98,276)
-	-	-	-	7,880
-	-	-	-	785,000
-	-	4,549,032 *	-	-
121,188	149,520	4,574,032	(196,611)	694,604
$ 996,447	$ 1,478,114	$ 163,653	$ 1,478,694	$ 806,778
7.81%	8.77%	7.21%	9.87%	9.83%

TOWN OF SUNNYVALE, TX **Table 6**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended Sept. 30	Estimated Actual Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Taxable Assessed Value Inc / (Dec)
	Real Property	Personal Property				
2006	$ 485,725,200	$ 86,734,180	$ 120,741,111	$ 451,718,269	0.37997	6.21%
2007	555,902,160	141,665,600	157,933,876	539,633,884	0.37997	16.29%
2008	608,574,940	146,837,690	183,614,707	571,797,923	0.37997	5.63%
2009	694,308,390	172,737,840	204,099,250	662,946,980	0.37796	13.75%
2010	745,473,070	207,664,100	235,483,988	717,653,182	0.40796	7.62%
2011	792,081,080	196,648,770	260,331,798	728,398,052	0.40796	1.48%
2012	802,789,310	208,338,430	242,170,205	768,957,535	0.40796	5.27%
2013	809,693,090	199,622,700	260,261,093	749,054,697	0.40796	-2.66%
2014	856,130,210	232,716,580	283,769,366	805,077,424	0.40796	6.96%
2015	888,189,540	218,121,640	274,631,565	831,679,615	0.40796	3.20%
					Avg	6.38%

Source: Town Administration Office.

Note: Property is reassessed annually. Property is assessed actual value; therefore, the assessed values are equal to actual value.
Tax rates are per $100 of assessed value.

Residential: includes single family, vacant lots, acreage, farm and ranch
Commercial: includes real property, industrial and utilities

TOWN OF SUNNYVALE, TX **Table 7**
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER $100 OF ASSESSED VALUE)
(unaudited)

	Town Direct Rates			Overlapping Rates *		
Fiscal Year Ended Sept. 30	Operating/ General Rate	General Obligation Debt Service	Total Direct	Sunnyvale Independent School District	Dallas County	Total Direct and Overlapping Rates
2006	0.3346	0.0454	0.3800	1.6659	0.2139	2.2598
2007	0.3346	0.0454	0.3800	1.5191	0.2139	2.1130
2008	0.3417	0.0383	0.3800	1.3801	0.2281	1.9882
2009	0.3448	0.0332	0.3780	1.3700	0.2281	1.9761
2010	0.3536	0.0544	0.4080	1.3600	0.2281	1.9961
2011	0.3530	0.0550	0.4080	1.3510	0.2431	2.0021
2012	0.3230	0.0850	0.4080	1.4100	0.2431	2.0611
2013	0.3074	0.1006	0.4080	1.4100	0.2431	2.0611
2014	0.3177	0.0902	0.4080	1.4100	0.2431	2.0611
2015	0.3368	0.0712	0.4080	1.4100	0.2431	2.0611

Source: Town Administration Office and Dallas Central Appraisal District

*Overlapping rates are those of local and county governments that apply to property owners within the Town of Sunnyvale, Texas.

TOWN OF SUNNYVALE, TX Table 8

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(unaudited)

	2015[1]			2006[2]		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AMERICAN MARAZZI TILE INC	$ 28,976,717	1	3.48%			
SABRA TEXAS PROPERTIES LP	25,449,484	2	3.06%			
HOMATEX LP	15,720,060	3	1.89%			
MILLARD REFRIGERATED SERVICES	12,718,595	4	1.53%			
DAL TILE CORPORATION	12,134,113	5	1.46%			
301 CLAY RD LLC	11,692,210	6	1.41%			
ARHC SMSVLT01 LLC	9,935,000	7	1.19%			
ONCOR ELECTRIC DELIVERY CO	7,855,180	8	0.94%			
JOHN SOULES FOODS	6,309,520	9	0.76%			
PILGRIMS PRIDE CORP	6,109,368	10	0.73%			
AMERICAN MARAZZI TILE INC				$ 29,165,489	1	6.46%
HOMATEX LP				18,678,440	2	4.13%
DAL TILE CORPORATION				10,696,016	3	2.37%
MARAZZI USA INC.				7,025,400	4	1.56%
CALEAST HD LIMITED LP				6,804,920	5	1.51%
ASSOCIATED TRUSS CO.				5,275,160	6	1.17%
HOME DEPOT USA INC.				5,194,520	7	1.15%
TEXAS UTILITIES ELEC. CO				4,309,060	8	0.95%
AT&T				4,202,810	9	0.93%
SUNNYVALE CENTER LTD				3,809,580	10	0.84%
Total	$ 136,900,247		16.46%	$ 95,161,395		21.07%
Total valuation of Town net of exempt property	$ 831,679,615			$ 451,718,269		

Source: [1] Dallas County Tax Office
[2] Municipal Advisory Council of Texas

TOWN OF SUNNYVALE, TX **Table 9**
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended Sept. 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2006	$ 1,799,570	$ 1,795,791	99.79%	$ 2,390	$ 1,798,181	99.92%
2007	2,050,447	2,012,104	98.13%	37,195	2,049,299	99.94%
2008	2,202,325	2,189,331	99.41%	11,744	2,201,075	99.94%
2009	2,495,391	2,409,050	96.54%	78,995	2,488,045	99.71%
2010	2,965,195	2,785,208	93.93%	170,371	2,955,579	99.68%
2011	2,972,083	2,764,037	93.00%	196,041	2,960,078	99.60%
2012	3,139,017	2,919,286	93.00%	200,000	3,119,286	99.4%
2013	3,089,815	2,977,346	96.36%	65,834	3,043,179	98.5%
2014	3,288,047	3,241,651	98.59%	10,858	3,252,509	98.9%
2015	3,392,837	3,335,116	98.30%	44,328	3,379,444	99.6%

Source: First Southwest Company, Dallas County Tax Office Year End Report 9/30/15,
Texas Municipal Reports

TOWN OF SUNNYVALE, TX
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Table 10

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligations	Tax Note	Certificates of Obligation	General Obligations	Other Obligations			
2006	$ 2,125,000.00	$ -	$ 1,520,000.00	$ -	$ -	$ 3,645,000.00	*	922
2007	1,985,000	-	1,420,000	-	-	3,405,000	*	841
2008	5,800,000	-	4,355,000	-	192,100	10,347,100	*	2,406
2009	5,600,000	-	4,140,000	-	363,857	10,103,857	5.67%	2,196
2010	5,365,000	-	3,005,707	950,000	296,892	9,617,599	*	1,869
2011	5,100,000	-	2,937,036	3,845,000	219,163	12,101,199	*	2,259
2012	4,805,000	-	2,815,364	3,620,000	185,051	11,425,415	5.40%	2,080
2013	4,541,976	-	2,840,000	3,247,541	126,493	10,756,010	4.58%	1,903
2014	4,145,040	-	2,899,987	2,763,858	118,058	9,926,943	4.42%	1,757
2015	3,728,105	735,000	2,641,573	2,588,576	109,623	9,802,877	3.92%	1,700

Note 1: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
(1) See Table 15 for personal income and population data.

TOWN OF SUNNYVALE, TX **Table 11**
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	General Obligations	Less: Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita [2]
2006	$ 2,125,000	$ 67,157	$ 2,057,843	0.46%	520
2007	1,985,000	92,378	1,892,622	0.35%	467
2008	5,800,000	1,424,804	4,375,196	0.77%	1,017
2009	5,600,000	69,013	5,530,987	0.83%	1,202
2010	5,365,000	78,509	5,286,491	0.74%	1,027
2011	5,100,000	72,645	5,027,355	0.69%	939
2012	4,805,000	90,463	4,714,537	0.61%	858
2013	4,541,976	158,605	4,383,371	0.59%	776
2014	4,145,040	199,293	3,945,747	0.49%	698
2015	3,728,105	231,611	3,496,494	0.42%	606

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Source:

1 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 6 for property value data.

2 Population data can be found in the Schedule of Demographic and Economic Statistics on Table 15.

TOWN OF SUNNYVALE, TX **Table 12**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2015

(unaudited)

Governmental Subdivision	Gross Bonded Debt	Percentage of Debt Applicable to Area [1]	Town Share of Overlapping Debt
Dallas County	$ 84,725,000	0.48%	$ 406,680
Dallas County CCD	321,510,000	0.48%	1,543,248
Dallas County Hospital District	728,005,000	0.48%	3,494,424
Dallas County Schools	60,215,000	0.48%	289,032
Sunnyvale I S D	61,932,581	100.00%	61,932,581
	$1,256,387,581		67,665,965
Town of Sunnyvale, Texas direct debt			9,802,877
			$ 77,468,842
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			9.31%
Per capita overlapping bonded debt			$13,435

Source: "Texas Municipal Report" as of September 30, 2015, prepared by the Municipal Advisory Council.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping government that is borne by the residents and businesses of the Town of Sunnyvale. This process recognizes that, when considering the Town of Sunnyvale's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the Town of Sunnyvale's boundaries and dividing it by the overlapping government's total taxable assessed value.

TOWN OF SUNNYVALE, TX
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(unaudited)

Table 13

	FISCAL YEAR				
	2006	**2007**	**2008**	**2009**	**2010**
Debt Limit	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Current Tax Rate	0.37997	0.37997	0.37796	0.40796	0.40796
Available Tax Rate	$ 2.12003	$ 2.12003	$ 2.12204	$ 2.09204	$ 2.09204
Total net debt applicable to the limit as a percentage of debt limit	17.92%	17.92%	17.81%	19.50%	19.50%

	FISCAL YEAR				
	2011	**2012**	**2013**	**2014**	**2015**
Debt Limit	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Current Tax Rate	0.40796	0.40796	0.40796	0.40796	0.40796
Available Tax Rate	$ 2.09204	$ 2.09204	$ 2.09204	$ 2.09204	$ 2.09204
Total net debt applicable to the limit as a percentage of debt limit	19.50%	19.50%	19.50%	19.50%	19.50%

TOWN OF SUNNYVALE, TX
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(unaudited)

Table 14

Fiscal Year	Tax and Revenue Refunding Bonds					
	Total Revenues [a]	Less: Operating Expenses [b]	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2006	$ 1,944,904	$ 1,782,444	$ 162,460	$ 100,000	$ 76,393	0.92
2007	1,806,709	1,673,908	132,801	105,000	71,420	0.75
2008	2,701,658	2,075,113	626,545	180,100	183,352	1.72
2009	2,659,023	2,148,772	510,251	225,000	176,404	1.27
2010	3,010,925	2,194,993	815,932	250,000	142,634	2.08
2011	3,402,567	2,477,007	925,560	340,000	280,625	1.49
2012	3,310,713	2,554,226	756,487	448,419	238,541	1.10
2013	3,330,492	2,517,502	812,990	417,004	184,951	1.35
2014	3,825,951	2,922,114	903,837	415,000	174,875	1.53
2015	4,079,273	3,118,955	960,318	425,000	163,950	1.63

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

[a] Revenue does not include transfers or non-operating revenues.

[b] Includes operating expenses minus depreciation, bond issuance costs, and other non-operating expenses.

TOWN OF SUNNYVALE, TX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Table 15

Fiscal Year	Estimated Population [1]	Personal Income	Per Capita Personal Income [2]	Median Age [5]	School Enrollment [3]	Unemployment Rate [4]
2006	3,955	$ -	$ (a)	(a)	(a)	4.8%
2007	4,050	-	(a)	(a)	(a)	4.3%
2008	4,300	-	(a)	(a)	807	5.0%
2009	4,600	178,043,000	38,705	(a)	1,010	7.7%
2010	5,147	-	(a)	42.6	1,154	8.2%
2011	5,356 **	-	(a)	(a)	1,224	7.8%
2012	5,494 **	211,694,808	38,532	(a)	1,291	6.8%
2013	5,651 **	224,791,129	39,779	(a)	1,361	6.2%
2014	5,651 **	224,791,129 **	(a)	(a)	1,512	5.5%
2015	5,766	250,077,186	43,371 (b)	41.9 (c)	1,565	4.0%

Sources:

1 North Texas Council of Governments, US Census, Town Officials
2 US Department of Commerce - Bureau of Economic Analysis
3 Sunnyvale Independent School District
4 US Department of Labor - Bureau of Labor Statistics - DFW Region
5 Median age only available in census years.
** Estimated
(a) Information not available
(b) TX HomeTownLocator (as of July 1, 2015)
(c) US Census Bureau - American Fact Finder (2010-2014 5 year estimate)

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TX
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(unaudited)

Table 16

	2015	2006
Business Sector	**Number of Employees**	**Number of Employees**
Agriculture, Forestry, Fishing, Hunting & Mining	9	8
Construction	149	134
Manufacturing	317	141
Wholesale Trade	68	15
Retail Trade	232	152
Transportation & Warehousing, and Utilities	116	130
Information	41	49
Finance, Insurance, Real Estate, Rental & Leasing	233	300
Professional, Scientific, Management, & Administrative & Waste Management Services	363	290
Educational Services, and Health Care & Social Assistance	827	646
Arts, Entertainment, Recreation, and Accommodation & Food Services	109	80
Other Services, except Public Administration	107	122
Public Administration	74	40

Note: The Town of Sunnyvale is a relatively small municipality with a geographic area of approximately 16 square miles. The town's most recent estimated population is 5,766. The only available information on employers is the Economic Census from the U.S. Census Bureau. This Census does not include information on individual businesses; rather, it contains only aggregate information by business sector. The information presented is from the most recent applicable Economic Census: 2015 data was obtained from the 2010-2014 Economic Census (5 year estimates) and 2006 data was obtained from the 2005-2009 Economic Census (5 year estimates).

TOWN OF SUNNYVALE, TX
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year				
Function / Program	**2006**	**2007**	**2008**	**2009**	**2010**
General government					
Administrative Services					
Town Manager	1	1	1	1	1
Town Secretary	1	1	1	1	1
Secretary/Admin Assistant	1	1	1	1	1
Economic Development					
Financial Services					
Finance	0	1	1	2	2
Municipal Court	2	2	2	2	2
Municipal Court Judge	1	1	1	1	1
Library	3	3	3	4	4
Public Safety					
Police **	0	0	0	0	0
Development Services	2	2	3	4	4
Fire	1	1	2	2	2
Parks & Streets	4	5	6	6	5
Water and Sewer Systems	6	6	6	6	6
Total	22	24	27	30	29

Source: Town Administration Office.
** All positions contracted with Dallas County

Table 17

Fiscal Year				
2011	**2012**	**2013**	**2014**	**2015**
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
	1	1	1	1
2	2	2	2	3
2	2	2	2	2
1	1	1	1	1
4	3	3	3	3
0	0	0	0	0
4	4	4	4	5
2	1	1	4	5
7	7	7	7	7
6	6	6	6	6
31	30	30	33	36

TOWN OF SUNNYVALE, TX
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)

	FISCAL YEAR			
	2006	2007	2008	2009
Function/Program				
Judicial				
Municipal Court Fines	$ 318,122	$ 250,774	$ 292,173	$ 399,536
Fire				
Fire Calls	(a)	(a)	26	31
Fire Loss	(a)	(a)	$3,407,500	$39,600
Inspection				
Permits Issued (Units)	(a)	(a)	(a)	(a)
Permit Value	(a)	(a)	(a)	(a)
Streets				
Miles of Streets Maintained	52.12	53.07	53.07	54.69
Health				
Animals Impounded	(a)	(a)	(a)	(a)
Cultural and Recreational				
Parks				
Parks Maintained	5	5	5	5
Sanitation Service				
Refuse Customers	1,634	1,727	1,895	1,886
Water				
Number of Water Customers	1,634	1,727	1,895	1,886
Estimated Gallons Billed (in thousands)	421,583	304,737	433,635	529,231
Sewer				
Number of Wastewater Customers	1,140	1,158	1,309	1,358

Sources: Various government departments.
(a) Information not available
(b) Information reflects Jan-Sept 2012 activity only

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 432,809	$ 478,838	$ 497,790	$ 375,898	$ 442,434	$ 370,378
30	34	31	33	30	38
$414,560	$30,000	$296,390	$2,500	$20,000	$82,290
(a)	(a)	44	120	102	44
(a)	(a)	$265,335 (b)	$292,092	$521,027	$14,041,157
54.69	54.69	54.69	54.69	55.7	57.63
116	121	103	151	133	133
5	5	5	5	5	5
2,026	2,059	2,117	2,155	2,178	1,947
2,026	2,059	2,117	2,155	2,178	2,256
505,051	562,521	457,540	577,817	422,669	478,108
1,388	1,441	1,528	1,530	1,575	1,587

TOWN OF SUNNYVALE, TX
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year				
Function	**2006**	**2007**	**2008**	**2009**	**2010**
Police					
Number of Stations	1	1	1	1	1
Fire					
Number of Stations	1	1	1	1	1
Fire Hydrants	513	538	548	568	616
Streets					
Miles of Streets	52.12	53.07	53.07	54.69	54.69
Cultural and Recreational					
Parks Maintained	5	5	5	5	5
Water					
Water Storage Capacity (gallons)	900,000	900,000	900,000	800,000	800,000

Sources: Various government departments.

Table 19

Fiscal Year				
2011	**2012**	**2013**	**2014**	**2015**
1	1	1	1	1
1	1	1	1	1
657	662	685	710	796
54.69	54.69	54.69	55.7	57.63
5	5	5	5	5
800,000	800,000	800,000	800,000	800,000

TOWN OF
SUNNYVALE